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Los Angeles—second retail marke

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2-5

FOREIGN TRADE

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2 Los Angeles: Second Retail Market . . . *a look at the growth and sales opportunities in booming Southern California.*

4 German Agriculture—How Production Will Affect Imports . . . *her large imports of farm products make West Germany's agricultural output of prime concern to many Canadians.*

8 Selling Processed Foods to Britain . . . *Canadian Food Mission passes on to exporters market information gathered in two-week tour of Britain.*

11 Venezuela's Foreign Exchange Control . . . *a review of the exchange control system instituted recently.*

21 How to Sell the U.S. Supermarkets . . . *it's not too hard to interest supermarket buyers in imported goods, if you follow one of the sales methods suggested here.*

15 Mexico Buys Pulp and Paper . . . *but growing local production influences volume of purchases and types imported.*

18 Index of Articles in "Foreign Trade", *July-December 1960.*

24 Spain's Almond Industry . . . *problems are looming up.*

25 Advertising Abroad: Republic of Ireland . . . *continuing our series.*

28 How Ceylon Imports . . . *a look at import firms in Colombo.*

30 Export Merchants Help British Trade . . . *in a variety of ways.*

31 New Zealand's Fertilizer Industry . . . *new uses increase demand.*

32 Netherlands Furniture Industry . . . *growth and output.*

13 Commodity Notes
34 Foreign Exchange Rates
26 General Notes
36 Markets in Brief
17 Trade and Commerce at Work
14 Trade Commissioners on Tour
27 Trade and Tariff Regulations

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COPY A

If Los Angeles means only Hollywood glamour to you, read this report. It could start you thinking about selling your products in one of the biggest regional markets across the U.S. border.

Los Angeles: Second Retail Market

GORDON F. OSBALDESTON, *Consul and Trade Commissioner, Los Angeles.*

THE growth of Los Angeles has been so spectacular that relatively few people really appreciate it. Canadians tend to think of New York, Chicago, Detroit, Philadelphia, Boston, Pittsburgh and Cleveland as the centres of United States consumption. They pay little attention to California as a market and probably even less to Los Angeles. They are thus missing out on an excellent opportunity to expand their sales.

PEARS
Dietetic
Try them Today!
APPLES
17¢ lb
McINTOSH
REDS
B.C. McINTOSH
REDS

Among the Canadian products displayed in many Los Angeles food markets are McIntosh apples imported from British Columbia. Note the large signs.

A few hard facts and figures may help to change this pattern of thought.

The 1960 census officially established the Los Angeles-Long Beach metropolitan area as second in population among the metropolitan areas of the United States. Between 1950 and 1960 the number of persons living in it increased by 2,300,000.

- *Industrial Growth*—According to the United States Bureau of the Census, the Los Angeles-Long Beach metropolitan area moved up from fifth largest metropolitan area in 1947 to third largest in 1958, on the basis of value added by manufacture. Value added by manufacture in this area reached $6.9 billion in 1958, up from $2.1 billion in 1947. Only Chicago and New York now surpass it.

- *Buying Income*—According to one reliable estimate, the Los Angeles-Long Beach metropolitan area now ranks third in net effective buying income among all United States metropolitan areas, surpassed only by New York and Chicago.

- *Wholesale Trade*—Wholesale sales in the Los Angeles-Long Beach metropolitan area totalled $9.2 billion in 1954 and reached an estimated $13.0 billion in 1958. On the basis of the 1954 figures, it was the third largest wholesale centre in the United States.

- *Retail Trade*—According to the 1958 figures, the Los Angeles-Long Beach metropolitan area is the second largest United States metropolitan area on the basis of retail sales—some $8.9 billion sales that year. It passed Chicago in 1959 and now is only exceeded by New York. The estimate for 1960 retail sales is that they will top $10.0 billion.

- *Construction*—In number of new dwelling units and in value of building permits, the Los Angeles-Long Beach area ranks second among United States metropolitan areas, according to 1958 figures released by the U.S. Department of Labour. In that year 80,600 new dwelling units were built and the value of building permits issued reached $1.5 billion.

- *Imports*—As an import centre, the Los Angeles Customs District ranks third in the nation, with duties of over $58 million collected in the fiscal year 1958. Only the New York and Michigan Customs Districts exceed this figure.

- *Finance*—In total bank deposits, the Los Angeles-Long Beach metropolitan area ranks third with deposits of $8.3 billion, according to 1958 figures of the Federal Reserve System.

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These facts and figures are but a few of the many that can be put forward to substantiate the claim that Los Angeles is the fastest growing area in the United States. Having made this clear, there is one other aspect of the California market that deserves clarification—the relative importance of San Francisco and Los Angeles.

San Francisco is a colourful and important West Coast centre. Its name conjures up visions of cable cars, the Fisherman's Wharf, earthquakes, and (in the opinion of some) one of the most beautiful harbours in the world. In addition, San Francisco is an important centre of finance and insurance and a major port.

Los Angeles, on the other hand, is a recently conceived giant with little public image other than aircraft, oranges and Hollywood stars. These are certainly a part of the Los Angeles background but they do not give a true image of its importance to the economy of California. Perhaps some figures comparing Los Angeles and San Francisco may clarify this point.

Canadian companies that maintain representation in San Francisco but not in Los Angeles should find these figures interesting. There was a time when importers in San Francisco served Los Angeles but this situation has changed radically in the past few years for reasons which these statistics make plain.

This report is perhaps too much weighted on the statistical side. The reason, as stated earlier, is that too few people really grasp the size and importance of this giant metropolis which has so recently assumed such prominence.

Canadian Sales

The Canadian exporter may well say that Los Angeles is too far away and he cannot compete. Let us look at a few facts. During one visit to a supermarket I saw eight Canadian products on the shelves: peat moss; cheese; canned, frozen and salted fish; a chemical for treating septic tanks; maple syrup; canned hams, and apples. More important, I could think of other Canadian products that should be on the shelves—jams, jellies and preserves and specialty biscuits among others. The fact that they are not there is not wholly a matter of transportation costs or competition. The other products on the shelves faced these problems and successfully overcame them. The necessary factor in getting more Canadian products on the shelves in Los Angeles may be aggressive salesmanship.

TABLE I

1960 Rank	Metropolitan Area	April 1, 1960, Census	Per cent change
1	New York	10,545,300	plus 10.4
2	Los Angeles-Long Beach	6,683,563	" 53.0
3	Chicago	6,150,532	" 18.8
4	Philadelphia	4,289,194	" 16.8
5	Detroit	3,761,220	" 24.7

TABLE II—BUSINESS CENTRES

	Los Angeles	Per cent of State	San Francisco	Per cent of State
Population (1956)	5,666,200	42.5	2,613,000	19.6
Value added by manufacture (1954) ('000 dollars)	5,117,544	59.0	1,677,890	19.4
Industrial employment (1956)	706,900	61.1	187,900	16.2
Total employment (1956)	2,367,700	43.8	1,041,700	19.3
Wholesale trade (1954) ('000 dollars)	9,198,626	49.3	5,896,467	31.6
Retail trade (1955)	8,036,302	45.9	3,334,262	19.0
Bank deposits (1954) ('000 dollars)	5,710,415	41.1	4,407,331	31.7
Effective buying income (1955) ('000 dollars)	11,272,051	44.1	5,696,328	22.3
Value of farm products sold 1954 ('000 dollars)	250,681		91,470	
Mineral production and crude petroleum (1954) ('000 dollars)	444,008	31.2	29,768	2.1
Ship arrivals	Ports of Los Angeles and Long Beach		All ports in San Francisco and Oakland area	
Net registered tonnage:	22,468		21,563	

Here is a listing of Canadian items whose value exceeded $10,000 which arrived in the Los Angeles Customs District during 1959:

Commodity	Value
Newsprint	$28,089,436
Aluminum metal and alloys	7,142,075
Whisky	1,624,079
Aircraft parts	242,872
Ball bearings and parts	226,210
Wood pulp, sulphite (unbleached)	193,809
Red cedar shingles	113,666
Douglas fir lumber (rough)	111,634
Birch plywood	108,562
Aluminum scrap	68,234
Automobile parts	59,287
Electric machines and parts	57,924
Office dictating machines	38,783
Asbestos	38,014
Special lenses (unground)	33,056
Lathes and parts	31,846
Book paper (uncoated)	29,908
Brass rods, sheets and plates	28,354
Galvanized wire	22,982
X-Ray apparatus	17,680
Food-preparing machines	16,000
Motion picture film (undeveloped)	15,714
Steel wire (value over 6 cents lb.)	14,644
Veneer, birch or maple	11,387
Scientific instruments	11,243
Plywood, n.e.s.	11,093
Herring, pickled	10,763
Total	$38,147,641

These figures reveal another aspect of successful Canadian selling in Los Angeles—aggressive promotion. On a visit to a leading Los

Angeles department store I discovered Canadian sportswear on display. Knowing the enterprising sales policy of the Canadian exporter, it was not too surprising to find his merchandise on sale in a number of other Los Angeles outlets.

There is only one difference between selling your product in New York and Chicago as opposed to selling in Los Angeles—distance. But your U.S. competitor may be shipping from the eastern United States and the additional transportation costs as a competitive factor may thus cancel out. Nor should it be forgotten that price is not the sole determinant in the successful marketing of a product. Quality, originality and salesmanship are also important.

Los Angeles is the second largest retail market in the United States. It is the third largest metropolitan area by nearly any standard. It does offer a market for Canadian products and more Canadian firms should explore the opportunities it offers. ●

German Agriculture

How Production Will Affect Imports

Agricultural products make up over half of Canada's exports to West Germany; Canadian farmers thus have a vital interest in changes in patterns of production and consumption there. This report reviews, sector by sector, West Germany's 1959/60 agricultural output and discusses import requirements in coming months.

W. J. O'CONNOR, *Assistant Commercial Secretary (Agriculture), Bonn.*

GERMAN farmers have harvested another bumper grain crop. In contrast to the situation in 1959 when unusually hot and sunny days marked the growing months, the 1960 season was even wetter than normal. The trend towards increased domestic grain production, however, seems to continue whether the summer is hot and dry or cool and wet. The 1960 harvest is estimated at 15.5 million metric tons—over one million tons larger than the 1959 record which, in turn, was one million larger than the previous record established in 1957. Comparative production data in recent years are shown in Table I.

Grain Production

In the last decade, grain production in the Federal Republic has increased from 10.5 million to 15.5 million metric tons, chiefly because of improved yields. It is noteworthy that in the same period commercial fertilizer consumption also increased by 50 per cent. In 1959/60 the average application of available nitrogen, phosphorus, and potassium per hectare exceeded 40, 45 and 70 kilograms respectively. The greater use of fertilizer results from the very high support prices for grain and from the direct subsidies which the Government grants to reduce fertilizer costs. These reached DM316 million in 1958 but have since decreased; only DM185 million is budgeted for this purpose in 1961. Although the area cultivated to grain has increased by 11 per cent in the ten years since 1950, it is now at a near maximum. In fact, preliminary figures indicate that the upward trend was reversed in the last year as acreage fell from 4.96 to 4.86 million hectares.

● *Wheat*—The 1960 wheat harvest is estimated at 4.96 million metric tons—10 per cent more than in 1959 and 90 per cent more than at the beginning of the decade. Both yields and acreage are rising.

Quantity is, however, only part of the story. Whereas the quality of the 1959 crop was very good, the quality of the wheat harvested this year is worse than the very poor 1954 crop. In that year, however, the mandatory level of domestic wheat which millers were required to use in the grist was 24 per cent, compared with the present 75 per cent. The reduction of this figure is not being considered, but to assist millers in their efforts to maintain the quality of their flour the Government has made some price adjustments that enable the trade to purchase "higher quality" domestic wheat from government stocks. On

TABLE I—WEST GERMAN AGRICULTURAL PRODUCTION

	Average 1954-59	1959	1960	Percentage change 1960/1954-59
		(in million metric tons)		
Wheat	3.64	4.52	4.96	+36.0
Oats	2.32	2.04	2.18	− 6.0
Barley	2.35	2.85	3.22	+39.0
Rye	3.81	3.89	3.79	− 0.5
Mixed summer grains	0.92	0.90	1.10	+20.0
Mixed winter grains	0.18	0.20	0.25	+39.0
Feed corn maize	0.02	0.01	0.02	± 0
Total	13.24	14.41	15.53	+17.0

the other hand, the permissible percentage of sprouted wheat that can be delivered to the Government Import and Storage Agency has been increased from 15 to 20 per cent.

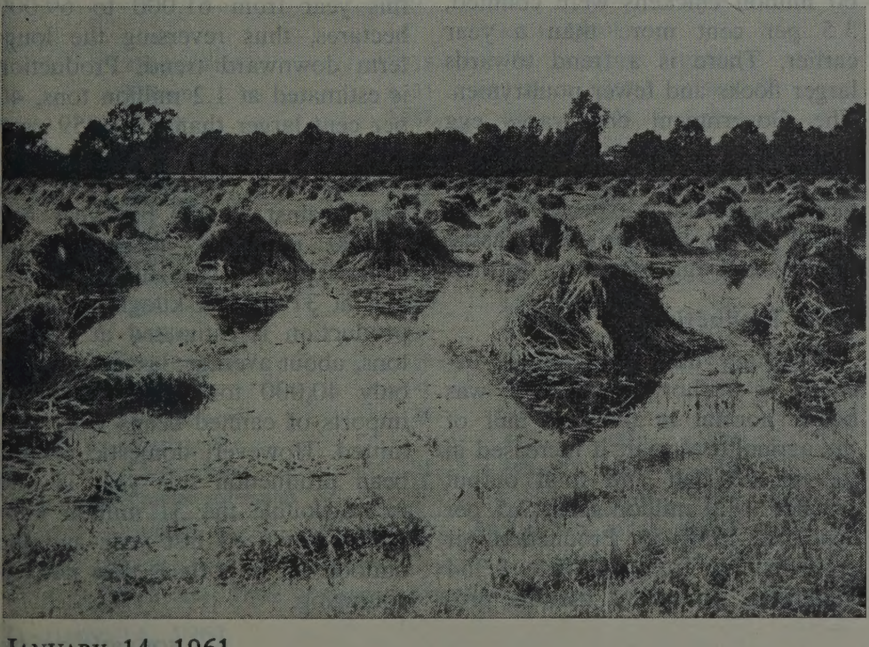
- *Rye*—Production, at 3.79 million metric tons, is down slightly from the previous year, but is still well above domestic requirements. Although rye prices are still supported at over DM370 per metric ton ($2.20 per bushel), there has been an encouraging decline in acreage since 1958, when steps were taken to remove the production premium of DM20 per metric ton. Acreage declined 8 per cent this year but (as in the previous year) this decline was partially countered by higher yields.

- *Feed and Industrial Grains*—The area sown to industrial and feed grains also declined slightly to 2,103,400 hectares, but production went up 11 per cent to 6.52 million metric tons. In addition, a large part of the rye and wheat crops are unsuitable for milling and therefore must be used for feed. A recent report indicates that 55 per cent of the rye and 21 per cent of the wheat sampled contained over 5 per cent sprouted kernels. In view of this and the good hay harvest, Germany's degree of self-sufficiency in feedingstuffs is much higher than normal this year.

Oilseeds

The 1960 oilseed harvest of 71,400 metric tons is 21 per cent greater than last year. Yields were up slightly but the increase resulted mainly from a 19 per cent rise in acreage. This more than offsets the decline last year, when the support price for rapeseed, Germany's only important oilseed crop, was cut from DM750 to the present DM660 per metric ton.

West German farmers experienced one of the wettest summers on record in 1960 and the quality of grains suffered badly. The rain continued well into harvest time.



Livestock

According to the 1960 September census, the West German hog population has reached a record 15.82 million, slightly more than the September 1959 figure of 15.3 million. A further increase is forecast because the number of sows in pig in September was 7 per cent above the year-earlier figure. It is estimated that 21 million hogs will be marketed in the 12 months ending August 31, 1961. Since this will be an increase of one million over hog marketings in the previous similar period, imports will probably be further restricted to prevent a drop in prices.

Cattle in the Federal Republic in June 1960 totalled 13.06 million head, an increase of 2.3 per cent over the June 1959 census and 7.2 per cent more than the 1954/59 average.

Meat

Commercial slaughterings in 1959/60 yielded 2.45 million tons of meat, including 1.48 million tons of pork and 0.9 million tons of beef. Increased beef production was mainly responsible for the 90,000 ton increase over the 1958/59 figure of 2.36 million tons. The contribution of imported animals to the total declined by 6 per cent to 165,000 tons. To this, however, should be added a net meat import surplus of 127,000 metric tons. During the year the Government

In 1961, German Market Will Import . . .

- *Bread wheat, about one million metric tons, 15 per cent less than in the previous year.*
- *Durum wheat, 325,000 tons, a slight increase.*
- *Feed barley, oats and corn, 900,000 tons, less than half imports in previous year.*
- *Malt and malting barley, equivalent to 480,000 metric tons of barley.*
- *Other industrial grains, 490,000 tons.*
- *Canned fruits and vegetables—possibility of increased import quotas slight. Small quantities only will be brought in.*
- *Fresh apples—no business foreseen.*
- *Frozen foods—all restrictions on frozen vegetables and fruit to be removed by July 1961.*
- *Oilseeds, some types of forage seeds, hides and skins, tobacco, whisky, fur skins, in greater quantities.*

maintained its system of influencing domestic market conditions and prices through the use of import controls. Most of the imported meat and animals for slaughtering entered Germany as a result of bilateral trade agreements.

Poultry and Eggs

Both production and imports of poultry products in 1959/60 rose well above the previous year. Poultry meat production reached 95,000 tons and imports 120,000 tons; egg production increased from 6.8 to 7.1 billion and imports from 4.7 to 5.5 billion. Domestic poultry and egg producers have great difficulty in meeting competition from foreign producers, who benefit from lower feed costs. In recent months, the removal of import restrictions on eggs and on all poultry except chicken has aggravated this problem.

However, despite the competition from imports, poultry production has continued to expand. At the last census taken almost a year ago 60 million chickens were counted, 3.5 per cent more than a year earlier. There is a trend towards larger flocks and fewer poultrymen. The Government encourages egg output with a production premium of DM0.027 per egg, and Parliament this session is expected to pass a new poultry law designed to assist poultry and egg producers further.

Dairy Production

Although milk production, because of a shortage of feed, was below normal in the first half of the agricultural year, it increased in the second half and total output reached 18.9 million tons, 2.5 per cent over 1958/59. Production per cow went up from 3,290 to 3,354 kilograms. In recent months production has declined seasonally but because feed supplies are ample, no decrease comparable to last year's is expected. Farmers receive a milk production premium of DM0.03 per kilogram for quality milk from TB-free cows.

In 1959/60 production of processed cheese, at 59,000 tons, was slightly higher than in the previous year and production of other cheese increased by 8 per cent to 160,000 tons. Butter production increased 3 per cent over the previous 12 months to reach 388,000 tons.

Fruits and Vegetables

Record production of practically all berries and fruits is forecast. Total fruit output is placed at 4.1 million tons, more than twice as large as last year, when yields were low because of drought. The following table shows production of principal fruits in recent years:

	Average 1954-59	1959	Estimate 1960
	(in 1,000 tons)		
Apples	1,277	851	2,485
Pears	354	236	634
Plums	295	299	499

The apple crop, which is of only fair quality, is being marketed at depressed prices.

The acreage devoted to commercial vegetable production increased this year from 61,000 to 69,000 hectares, thus reversing the long-term downward trend. Production is estimated at 1.2 million tons, 40 per cent larger than the 1959 crop and 8 per cent above average. Pea production is estimated at 65,000 tons against 51,500 last year and 58,100 in 1958; production of canned peas is thought to be normal at 31 million kilograms. Bean production is estimated at 63,000 tons, about average; last year it was only 40,000 tons and substantial imports of canned beans were permitted. However, domestic canned bean production this year is said to be double the 31 million kilograms produced last year and the outlook for imports is thus not encouraging.

As a result of good yields, the potato crop of 24.5 million tons is almost equal in size to the 1954/59 average, despite an 8 per cent decrease in acreage. Although potatoes play an important role in the German diet, half of the crop is normally used for livestock feed.

A record sugar beet crop of 11.7 million tons with an estimated sugar content of 16 per cent is expected to yield up to 1.7 million tons of refined sugar. This compares with last year's production of 1.3 million tons; annual sugar consumption approximates 1.6 million tons. Sugar prices, like grain prices, are supported at a high level and the quantity and price of imported sugar are strictly controlled.

Tobacco production estimates are not yet available. The crop was, however, seriously affected by disease and is known to be much smaller than the previous one of 14,000 tons.

Outlook for Imports

Table II indicates that Canadian exports of agricultural products to Germany in the first nine months of 1960 fell below exports in the previous similar period.

Much of this decline is the result of a $12 million decrease in exports of quality wheat. Although it is true that the trend towards ever greater domestic wheat production in Germany and the continuous decline in per capita consumption of flour has adversely affected the market for Canadian wheat, part of the decrease is more apparent than real. It may be related to the uneven flow of imports which, in turn, is related to periodic changes in the German Government's import regulations. German statistics indicate that combined imports of durum and bread wheat from Canada dropped from 926,000 metric tons in the 1958/59 crop year to 750,000 tons in 1959/60. According to the recently published German Import and Supply Program, bread wheat imports of approximately one million metric tons are scheduled. This is 15 per cent less than in the previous year, but there is good reason to hope that Canadian exports will be maintained, because millers require a very strong wheat to mix with the low quality domestic crop. Imports of 325,000 tons of durum are also scheduled, slightly more than in the previous year. Canada as the major supplier should benefit from this increase.

Germany has a surplus of rye and no imports are anticipated; indeed, she will continue her program of subsidized rye and soft wheat flour exports. The outlook for feed grain imports from Canada in the coming months is also poor. Because of large domestic supplies, total imports of feed barley, oats and corn are scheduled at 900,000 tons—less than half of the quantity taken in the previous year. The long-term outlook, however, is somewhat better in view of the expected increase in livestock production and meat consumption.

Consumption of industrial grains is also increasing. The 1960/61 Import and Supply Program envisages malt and malting barley imports equivalent to 480,000 metric tons of barley. Imports of 490,000 tons of other industrial grains are also forecast. In both cases, these figures represent a small increase over the previous plan.

In addition to the above grains, the German Government maintains import controls on a number of other agricultural products. Among these are canned fruits and vegetables and the possibility of increased import quotas is slight in view of the large domestic crop. Small quantities of these products will, however, continue to find a market during 1961. It is unlikely that any business in fresh apples will be permitted. The market for frozen foods is expanding and all import restrictions on frozen vegetables and fruit are to be removed by July 1961. The market prospects for many other agricultural products that Canada can supply are, however, unhampered by import controls. Canadian producers of oilseeds, some types of forage seeds, hides and skins, tobacco, whisky and fur skins can look to Germany for expanded markets. ●

TABLE II—PRINCIPAL AGRICULTURAL EXPORTS FROM CANADA TO WEST GERMANY

	9 mos. 1957	9 mos. 1958	9 mos. 1959	9 mos. 1960
	(in Can.$'000)			
Quality wheat	32,715	21,174	25,173	13,281
Durum	8,333	8,354	8,737	9,209
Barley	7,987	826	51	2,913
Rye	1,177	960	262	
Oats			1,111	1,599
Flaxseed	4,161	1,894	3,382	2,112
Rapeseed	1,976	1,887	306	32
Cattle hides	1,143	997	776	1,352
Calf skins and kips	109	407	368	261
Tobacco	903	611	851	358
Whisky	1,033	335	479	528
Clover seeds	168	239	158	133
Fur skins	441	346	390	200
Mustardseed	26	204	156	54
Fresh apples		432	27	176
Canned fruit	21	149	77	33
Canned vegetables	27	5	27	53
Total	60,220	38,820	42,331	32,270

Source: *Trade of Canada, Exports, DBS.*

Selling Processed Foods to Britain

A twelve-man Canadian Food Mission, sponsored by the Department of Trade and Commerce and representative of the Canadian processed foods industry and the fisheries, visited the United Kingdom last September.

Its assignment was a dual one: first, to explore thoroughly opportunities for increasing exports of Canadian processed foods to Britain, and second, to report back its findings to the various sectors of the food industry in Canada through the associations represented on the Mission.

During the time spent in Britain, the members of the Mission called on government and civic officials and on organizations representing all sectors of the food trade—importers, brokers, retailers, and co-operative societies. In all these visits, the Mission stressed that it was looking for facts, not compliments, and frank discussions resulted.

Some of the findings, culled from a report written by Roy W. Blake, Acting Director of the Agriculture and Fisheries Branch of the Department and secretary of the Mission, are presented below, in questions and answers.

ENTERING THE MARKET

How big is the market for processed foods in Britain?

The United Kingdom has nearly 17 million households, which spend about $12.00 a week on food or roughly $10.6 billion a year. Over 25 per cent of this food is imported. It is an expanding but highly competitive market for foodstuffs in which Canada's competitors have had a long start and are well established. A new generation of British consumers has grown up which has never tasted any variety of Canadian foods. They must be "sold".

What are the important factors in winning a share of it?

Garfield Weston answered part of this question for the Mission when he said: "Canadian exporters should look to the United Kingdom on a long-term basis and not use it as a market to dispose of surplus production." Continuity of supply must be linked with consistent quality, and the pack must be right—not too large, so as to suit all classes of trade. Private traders are more inclined to try to sell the product if the pack is small.

Is price the over-riding consideration?

The price must be competitive, but high-quality products distinctively packed and well presented will often command a premium and find a remunerative market. But, as one British source commented, "not that the public wants rubbish, but they prefer something good at 1/- rather than something very good at 1/6." Good Canadian products at comparable prices will find a ready market.

Has the distribution pattern for foods changed since prewar?

The principal change has been the development of large trading groups—mainly multiple stores, co-operative societies, and voluntary groups; these now handle 50 per cent of the U.K. food trade. It is estimated that by 1965 there will be about 30,000 independent grocers operating under group trading, about double the present figure. The number of large self-service stores is also increasing.

Should Canadian firms try selling directly to the large multiple stores and co-operative societies?

The multiple stores and the co-ops prefer buying directly from the supplier and this method of selling is good, provided that they will buy all of an exporter's production. The large self-service stores (our supermarkets) want pre-packed, high quality graded produce.

What is the best way of becoming established in this market?

Probably by appointing a reliable broker who is prepared to do spadework and look after the exporter's interests. The Canadian exporter should then market his whole supply through the broker, who sells to the large multiple groups as well as to all other outlets, rather than try himself to sell to the large groups. The broker should be trusted with goods on consignment until a line becomes well known and accepted.

What terms of payment should be offered to brokers?

Brokers prefer to make payment 30 to 60 days after delivery. They do not like to have to put up letters of credit because they feel this indicates a lack of trust.

Can sales to the whole of Britain be handled from London?

Each area of the United Kingdom should be covered by an agent who is fully familiar with its particular tastes and requirements and with methods of doing business there. London firms, for example, are not too well regarded in Liverpool and Manchester unless they have strong branches in those areas. Scotland should be covered by Scottish agents only and quotations should be f.a.s., not c.i.f. as in England and Northern Ireland.

GRADING, LABELLING, SHIPPING

Does the British trade accept the Canadian Government food grades?

The trade does not want to be held to buying on the basis of Canadian Government grades. Importers maintain that although a pack may pass the Canadian minimum standards for a particular grade, there is often a great variety within these grades. They want to buy on an average sample for the year, as they do from other countries. Canadian exporters should make sure when they are drawing up a contract that the basis of sale as it touches grades is clearly stated.

What are the British regulations on weight?

The weight stated on the label must be the minimum guaranteed net weight; the actual weight may be more, *but not less,* than the weight stated. If goods are prepacked, they must be in quantities by net weight of 2, 4, 8 or 12 ounces, 1 pound, 1½ pounds, or multiples of 1 pound, in a container marked with the net weight. The weight declaration must either be abbreviated according to a set form or spelled out completely—for example, 15 fl. oz., or 15 fluid ounces. For weights over one pound, the form is 1 lb. 4 oz., not 20 ounces. It is best to state on the label the number of servings per can; this influences the consumer when she is buying.

What types of labels should Canadian suppliers use?

The large multiple groups and co-operative societies have their house labels, well known to the consumer. Most of the importing firms in Britain also have their own labels that are familiar to the public. The multiples and the co-operatives, however, will also purchase under the packer's label. It was suggested to the Food Mission that the Canadian processor should be prepared to pack under two labels—one for use with the independent retail trade and one which the importer can sell to the multiples.

The use of any flavouring, colouring, or other foreign matter must be declared under "ingredients" on the label. Before he attempts to ship any canned foods, the exporter should submit sample labels to the Department of Trade and Commerce in Ottawa for approval. This will save him time and possible disappointment.

What type of cartons are best for shipping processed foods?

Shipment to the United Kingdom definitely calls for a heavier carton than the one in use in Canada. The latter does not stand up well to frequent handling in shipment and the resulting damage is often heavy. This leads to loss of goodwill. The Japanese and Australians both ship in 300-pound board cartons.

SPECIFIC OPPORTUNITIES

What are the opportunities for selling Canadian canned fruit to the British?

Any type of canned fruit can be sold in the United Kingdom, (the world's largest importer of canned fruit), though it takes a vigorous promotion effort to get a new brand established. Continuity of supply, comparable quality, competitive prices and a good agent are all needed to win a long-term market. Canned peaches, pears, apricots and fruit salad are the main types of canned fruit imported; peaches and pears account for two-thirds of the total. Canned cherries, canned apples and canned plums also stand a good chance, as do solid-pack apples and apple juice. Canadian shipments have a tariff advantage over those from non-Commonwealth countries.

Is it possible to sell Canadian canned vegetables in the United Kingdom?

Britain herself produces a large volume of canned vegetables and also imports large quantities, mainly from South Africa, Australia, New Zealand, the United States, Belgium, the Netherlands, and Italy. Canadian exporters still have ample scope, however, especially for canned peas, canned beans, canned corn on the cob, kernel corn, and perhaps creamed corn. The Mission also received inquiries for pickles, sauces and soups. Demand for some of these would not be large, but could be worthwhile if competition can be matched.

What about canned tomatoes and tomato juice?

Canadian tomato juice is already doing well because of its superior quality; to maintain this market, the label should state clearly that the can contains only the juice from fresh tomatoes. In canned tomatoes, the largest item in U.K. canned-vegetable imports, the nearer Canadian processors can come to providing a canned tomato that has the appearance, taste and aroma of a fresh one, the easier it will be to sell in the U.K. There is stiff competition from both Italy and Bulgaria.

Is there a demand for frozen vegetables and fruits?

Yes, and it is growing; 30.3 million pounds were imported in 1959, chiefly from Sweden, the Netherlands, New Zealand and Belgium. Frozen peas (80 per cent of imports) sell best. Frozen fruit imports totalled 1.7 million pounds in '59 and included mainly strawberries, apples and loganberries. Frozen foods from the Commonwealth enter Britain duty-free.

Can the market for Canadian honey be expanded?

Yes, because the trade recognizes that the Canadian system of grading honey is an almost infallible guarantee of quality and is willing to pay a premium for the Canadian product. The Canadian clover type is preferred to the bulk of the imported honeys. The British housewife is gradually being won over to the plastic packs.

What opportunities are there for selling confectionery and specialty food products?

Demand for Canadian confectionery is limited because of large domestic production and competition from Europe. However, it is possible to win customers for Canadian lines of high quality, distinctively packaged and sold in high class stores. Prospects for canned mushrooms are less favourable; pie fillers, cake mixes and other "convenience foods" could be promoted.

What Canadian fish products are selling in Britain?

Canned salmon and canned lobster are particularly well established in the U.K. market, but Russia and Japan are providing competition for our salmon packers and high prices for canned salmon seem to be turning the British housewife to other foodstuffs. Canadian sardines are also doing well but have to be marketed under the name of "sild". Only the Portuguese product can be labelled and sold as sardines.

What other fish products might be sold?

New interest is being shown in Canadian frozen fish products, especially frozen cod fillets, haddock fillets, fish and chips, and fish sticks, preferably packed in half-pound packets for the retail trade and in large packs for hotels, restaurants and institutions. Volume of the trade will depend on price and continuity of supply. The hotel and restaurant trade might purchase frozen groundfish fillets and blocks, frozen salmon and halibut, and fresh frozen lobster.

FOR FURTHER HELP

The report of the Mission was not addressed solely to the large companies in this field. It pointed out that a good many Canadian food processors do not produce enough to engage in export on a large scale but most of the time do have a modest surplus that they could market overseas. Some thought should be given to devising a scheme for marketing these small surpluses on a group basis.

Canadian suppliers at the moment have a tariff advantage over non-Commonwealth traders, though some of this advantage may be lost because of Britain's membership in the European Free Trade Association. Continuous supply of a uniformly graded product at the lowest possible price for the quality are the prerequisites for success.

Readers who would like more detailed information on the Mission's findings should write to one of the following trade associations:

The Canadian Food Processors Association, Ottawa

The Ontario Food Processors Association, Toronto

Canadian Beekeepers Council, Ottawa

The Nova Scotia Fish Packers Association, Halifax

The Newfoundland Fish Trades Association, St. John's

The Fisheries Association of B.C., Vancouver

The Confectionery Association of Canada, Toronto

Canadian Mushroom Association, Waterloo, Quebec.

The Department of Trade and Commerce in Ottawa will be glad to advise Canadian firms on labelling, packaging, appointing an agent, tariffs, etc. In addition, the following articles in *Foreign Trade* might be helpful:

"Britain Imports More Canned Fruit" April 23, 1960

"Canadian Foods Stage a Comeback" May 21, 1960

"Frozen Foods Catch on in Britain" July 16, 1960

"Canadian Honey Returns to Britain" July 30, 1960. ●

Venezuela's Foreign Exchange Control

Our Caracas office, in a report written late in December, discusses the exchange control program initiated on November 8.

W. D. WALLACE, *Commercial Counsellor, Caracas.*

THE Government of Venezuela, in an effort to halt the steady decline of foreign exchange reserves, issued a decree on November 8, 1960, placing controls on the sale of foreign exchange. The official value of the Bolivar remains unchanged at 3.35 for purchases of United States dollars.

The decree directs that all the foreign exchange originating from iron ore and other non-combustible minerals, as well as currency that comes from activities of the companies exporting these minerals, will be acquired exclusively by the Central Bank at Bs.3.33 per United States dollar. Foreign exchange from the oil industry will continue to be acquired at Bs.3.09 and the exchange from the export of cocoa will go to the Central Bank in accordance with previously established regulations. As a result, the Central Bank will receive *almost* the entire Venezuelan earnings of foreign exchange. Small amounts of other foreign exchange income will be available for sale in a free market provided for under the regulations.

Foreign Exchange Sales

The key to the control program is the amount of foreign exchange that the Central Bank of Venezuela will allocate or distribute to the local banks. In making the allocation, the Central Bank will take into account the position of foreign currency income, general marketing conditions, existing international reserves, payment necessities of the Venezuelan economy in general, and the requirements of each individual applicant.

The Central Bank will sell foreign exchange through the local banks to cover payments abroad by the Government and its institutes, and for normal business purposes. Although no indication has been given as to the amount of exchange that will be allowed for government requirements, the foreign exchange allocated to the banks for normal business purposes is to be distributed on the following basis: 72 per cent for imported merchandise, related freight and insurance costs; 3 per cent for non-related insurance, transportation, and technical services; 5 per cent for the support of students and families abroad; 7 per cent for dividends, interest, profits, and rentals to non-residents on funds invested before November 8, 1960; 13 per cent on debts to non-residents incurred before November 8, 1960, or conversion of assets from investments made before that date.

Foreign Exchange for Imports

An applicant applying for foreign exchange for an open-account transaction is required to deposit up to 20 per cent of the value of the foreign exchange; for advanced drafts and letters of credit the deposit is up to 40 per cent. However, in open-account transactions, if all the documents required under the regulations are filed with the application for foreign currency, the 20 per cent deposit by the importer will not be necessary. The deposits are refunded after the goods have been cleared through customs and delivered to the customer.

The period for the import of goods will be 120 days for orders originating in the Western Hemisphere and 180 days for those originating in other countries. When the import involves machinery or spare parts or other products that will require a longer period of processing, the Central Bank, upon satisfactory proof, may extend the permit up to two years. It is suggested that Canadian exporters shipping on open account to Venezuela mark their drafts: "Settlement to be made in Canadian or United States dollars".

If it is determined that the time allowed for the import of goods is insufficient for causes beyond the control of the interested party, and if the interested party can prove before the expiration of the period that the goods will be shipped or have already been shipped, the period may be extended up to another 60 days. In cases of "force majeure", the period for the entrance of the goods can be extended for the time deemed necessary.

Exchange for Commitments, Loans and Investments

To obtain foreign exchange for foreign loans, investments, and obligations that require payments to foreign countries for interest, dividends, profits, and amortization and which entered the country before November 8, 1960, registration of the respective capital or pending balances is required within 60 days from the above date. The application must show the amount or balance of the credits or investments, the date on which they were placed, the period or expiration date, payment conditions, and all other data which may be necessary to determine the credit and amount of foreign currency required.

Persons introducing foreign capital for investment in Venezuela after November 8, 1960, may also apply for registration with the Central Bank. Should the application for registration be approved, it will be effected by previously selling the foreign currency to the Central Bank and the capital will be registered for the equivalent in Bolivars of the foreign exchange received. Non-registration, however, will not be an obstacle to the entry of foreign capital through the free exchange market nor to the obtaining in the free market of currencies necessary for the corresponding interest, dividends, profits and amortization of such capital.

Exchange for Outstanding Debts

Foreign exchange is to be made available for the payment of outstanding debts incurred before November 8, 1960. New regulations for the registration and the allocation of foreign exchange for these debts are now pending and are expected to be issued momentarily. Until such time as the regulations are issued, it is recommended that Canadian exporters with outstanding debts in Venezuela arrange with their agents, importers or collecting banks in Venezuela to have the debts registered with the Central Bank and to apply for the necessary foreign exchange for payment of them. If the applicants are unable to obtain official foreign exchange through the banks, they are at liberty to purchase foreign exchange on the free market.

Free Market Sales

There are no restrictions against the purchase and sale of foreign exchange on the free market, but the amount available from this source will be limited and it could be a costly operation for the would-be purchaser. The Central Bank of Venezuela has officially authorized the Caracas Stock Exchange to sell "free" dollars. Free foreign exchange transfers on the Caracas Stock Exchange on amounts of $1,000 or over have been ranging from Bs.4.20 to Bs.4.35 per United States dollar.

For Further Information

The foregoing is based on the interpretation of the initial decree and regulations, plus a few amendments that have been announced since November 8, 1960. It is anticipated that many more changes in the regulations will be necessary before the exchange control system will operate smoothly. In the meantime, Canadian exporters who wish further clarification or information should communicate with the Latin American Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or the Commercial Counsellor, Canadian Embassy, Apartado 11452 Este, Caracas, Venezuela, or with their bankers.

Help for the Business Traveller

The businessman travelling abroad will often find that Canadian Trade Commissioners can do much to make his trip pleasant and profitable—provided that they have advance notice of the date of the visitor's arrival, his main interests, and his itinerary. Too often Canadian businessmen fail to take advantage of a Trade Commissioner's help by dropping in on him without warning.

If you are travelling abroad on business and think the Trade Commissioner might assist you, you should give early notice of your trip to the Trade Commissioner Service of the Department of Trade and Commerce in Ottawa. Give the Service your itinerary and say whether you would like the Trade Commissioners in the countries you will visit to collect information in advance of your arrival, to arrange appointments, or to assist in other ways. If you prefer, you may write directly to these officers at their posts asking for their co-operation. If you are planning to initiate new business, it may be helpful to forward samples and descriptions of your products so that the Trade Commissioner will have a chance to make a market survey beforehand.

Commodity Notes

Auto Exhaust Systems

VENEZUELA—An agreement to manufacture and distribute automotive exhaust systems in Venezuela has been concluded between a Venezuelan investment group, Industrias Integradas S.A. of Caracas, and Maremont Automotive Products, Inc., of Chicago. Both original equipment and replacement parts will be made at a new $4 million plant now under construction in Valencia—Caracas.

Automobiles

INDIA—The Government of India announced on October 21, 1960, that a six-member committee of experts had been set up to study and advise within four months on the manufacture of a low-cost car as a government project. The committee will examine all aspects of national investment, production costs, foreign exchange, terms for collaboration in production, location of plant, etc. They are asked to recommend to the Indian Government such model or models of a car which could be manufactured for the ex-factory price of about $1,050 on a production basis of 50,000 cars a year, and to retail at about $1,300. The intention is that the cars should be entirely of Indian content within three years of production—New Delhi.

Coal

AUSTRALIA—A Sydney company has announced that it will export 300,000 tons of coking coal to Japan during 1961. It is expected that by 1965/66 the Japanese steel industry will buy 2½ to 3 million tons of coal a year. The coal is mined in an open-cut field at Kianga, Queensland, which has proven reserves of 1,000-million tons—Sydney.

Deciduous Fruit

SOUTH AFRICA—Approximately 51,500 tons (worth £2.06 million) of deciduous fruit were sold during the 1959-60 season on eight municipal markets in the Union, compared with 54,700 tons (£2,004,000) during the previous season.

Included in the current season's sales were apples, 23,500 tons (£952,000), an increase of 18 per cent in weight and 6 per cent in value compared with the previous season; pears, 5,100 tons (£226,000) with an increase in both weight and average price per ton; peaches 10,700 tons (£385,000); grapes 7,900 tons (£338,000); apricots 2,300 tons (£72,000), and plums 1,900 tons (£62,000). Nectarines and cherries accounted for the remaining 100 tons—Cape Town.

Electrical Equipment

BRAZIL—Sprecher & Schuh do Brasil S/A—Industria de Aparelhagens Elétricas has been established in São Paulo with an initial capital of Cr.$1 million. The Swiss firm, Sprecher & Schuh S/A, holds 90 per cent of the new company's shares. Production eventually will include most types of high-tension products made by the Swiss company. Initial output, however, will consist of circuit breakers and accessories. Initial investment is estimated at Cr.$30 to Cr.$40 million, including the São Paulo factory installations. Distribution of the circuit breakers will be handled by Secheron, Sprecher & Schuh S/A—Maquinas e Aparelhos Elétricos—São Paulo.

Lead

BRAZIL—Production of lead in Brazil has increased considerably in the last six years—from 298 tons valued at Cr.$27 million in 1956 to 693 tons valued at Cr.$60 million in 1958, a rise of 133 per cent. The main producing centre is the State of Minas Gerais—Rio de Janeiro.

Liquid Gas

AUSTRALIA—Australian refineries produced a record 7.4 million gallons of liquefied petroleum gas in the year ended June 30, 1960, the Petroleum Information Bureau reports. This was seven times greater than output five years ago. Australian consumption jumped by 74 per cent last year, but this is believed only a fraction of what may be expected in the next 20 years, unless there is a major discovery of natural gas. Petroleum gas is being used to enrich industrial gas—Melbourne.

Pepper

BRAZIL—Exports of pepper in 1959 totalled 2,502 tons valued at Cr.$305 million (approximately U.S.$2 million). Principal purchasers were the United States 866 tons, Argentina 630, and West Germany 521—Rio de Janeiro.

Pulp

SWEDEN—Sweden's capacity for pulp production at the end of 1960 totalled 5.6 million tons, a rise of 200,000 tons over 1959. This will likely rise to 7.1 million tons at the end of 1964, according to a report by the Swedish business weekly *Affärsvärlden* on a survey of expansion plans carried out by the branch organizations.

The end-1960 figure includes 4,200,000 tons of chemical pulp, 70,000 tons of semi-chemical pulp and 1,380,000 tons of mechanical pulp. In 1960, the total capacity rose by 200,000 tons. Expansion plans over the next four years will raise the output of chemical pulp to 5.5 million tons, of semi-chemical pulp to 100,000, and of mechanical pulp to 1.5 million.

Of the increase in capacity of 1.5 million tons over the next four years, about 950,000 tons (or just under 65 per cent) will be earmarked for sale; the remainder will be used for integrated production of paper and paperboard at the mills. The quantity now available for sale is estimated at 3,050,000 tons of chemical pulp and 630,000 tons of mechanical. By 1964 these figures will rise to about 3,900,000 and 680,000 tons respectively—Stockholm.

Seamless Steel Pipe

VENEZUELA—The Iron & Steel Institute has imported 5,000 tons of steel from France and Italy to start making seamless pipe at the national steel mill near the Caroni River. A four-year production schedule has been approved. The plan is to make 45,000 tons of pipe this year, 130,000 tons in 1961, 160,000 tons in 1962, and 280,000 tons in 1963. The steel plant expects to begin using iron ore from the Guayana deposits next year—Caracas.

Tin

PORTUGAL—The Portuguese company, Fundição de Mangualde Embel, Lda., is setting up a tin-smelting plant at Jos, Nigeria, close to a cassiterite mine. It will have an annual capacity of 9,000 tons. The company will be called the Nigerian Embel Tin Smelting Co., and will be managed by Portuguese experts from the parent firm. Furnaces, transformers and other electrical and laboratory equipment were manufactured in Portugal. Production is expected to begin in January; 25 per cent will be for the Nigerian home market and the remainder for export—Lisbon.

Uranium

SWEDEN—In four years' time, Sweden will be self-sufficient in uranium. By then, AB Atomenergi's uranium plant in Ranstad will be completed, with an estimated output of 120 tons of uranium during the first year of production. Production can be doubled gradually if necessary.

Swedish uranium will be expensive, double world market prices, it is estimated. However, Sweden is willing to pay what has been called "a reasonable political and economic insurance premium" to ensure independence from foreign sources of supply. Swedish consumption of uranium is expected to reach 60 tons by 1964—Stockholm.

Trade Commissioners on Tour

In Canada

B. HORTH, Assistant Commercial Secretary in The Hague, Netherlands:

Vancouver—Jan. 20-24

When he completes his tour, Mr. Horth will be posted to New Delhi, India, as Assistant Commercial Secretary.

Businessmen who wish to see Mr. Horth should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Zagreb and Ljubljana in Yugoslavia from February 6-10, and Sofia, Bulgaria, from March 6-11.

G. A. NEWMAN, Commercial Counsellor in New Delhi, will visit Madras from February 12-17, and Hyderabad and Bangalore from March 13-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Prague, Czechoslovakia, from January 9-13, Belgrade, Yugoslavia, from February 6-10, and Budapest, Hungary, from March 20-23.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from January 9-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Freyseng and Mr. Thomson at Vienna, Mr. Newman at New Delhi, and Mr. Wallace at Caracas.

Mexico Buys Pulp and Paper

F. B. CLARK, *Commercial Secretary, Mexico, D.F.*

MEXICO is already an important market for paper and an expanding one, as the rise in demand is expected to continue. The 1960 census recorded a total population of over 34½ million and the growth rate is one of the highest in the world. Industrial development has opened up the market for all sorts of specialized paper products in addition to packages and containers, and improved living standards have boosted the demand for writing and printing papers and for newsprint. Although domestic production of pulp and paper is substantial, imports of these two commodities totalled U.S.$28.4 million in 1959, a 14 per cent increase over 1958.

Pulp Production

Several of the 15 domestic pulp producers also operate paper mills, with output geared to their own consumption. A wide variety of materials is used for pulping. Wood, the principal source, is obtained from 2.5 million hectares of forest in which a species of Southern pine predominates. This area has been allocated to pulpwood and more timber land is available when needed. The important sugar industry in Mexico offers about two million metric tons of bagasse a year for making pulp but so far only one mill is converting it. Wheat straw has been used for some time by a few small mills and one pulp producer converts bamboo, which is in good supply throughout the tropical regions. Even banana trunks are being processed into pulp, but a high water content makes transport costly, because most of the mills are located close to the principal market, Mexico City.

MEXICAN PRODUCTION OF PULP
1959

	Short tons
Mechanical groundwood	44,000
Unbleached sulphate	81,000
Bleached and semi-bleached sulphate	45,000
Unbleached sulphite	5,000
Bleached sulphite	1,000
Semi-chemical wood pulp	1,000

Source: *World Wood Pulp Data.*

The Mexican Market

- *Demand for writing and printing papers and for newsprint growing.*
- *Imports needed because increase in domestic production paralleled by increase in population.*
- *Dissolving pulp, bleached and unbleached sulphite (paper grades) are leading pulp imports.*
- *Canada supplies 64 per cent of all newsprint bought abroad; demand should be brisk for next four to five years.*
- *Specialty papers obtained mainly from U.S., Italy, Germany, Finland.*
- *Sulphite pulp, certain papers, offer best opportunities for Canadian suppliers.*

Production of all grades of wood pulp in 1959 reached 177,000 tons. About 70 per cent of this consisted of sulphate pulps and about one-third of this was bleached or semi-bleached. Mechanical groundwood pulp (44,000 tons) and unbleached sulphite (4,000 tons) were also made. The biggest Mexican producer is Celulosa de Chihuahua, S.A., with a mill and timber reserves in Chihuahua, 1,090 miles northwest of Mexico City. This independent company accounts for 40 per cent of all sulphate pulp production.

Waste paper is an important material in the production of low-grade wrapping paper and paperboard. One reliable source estimates that 45 per cent of the paper produced in Mexico is converted from waste paper and clippings. Previously most of this was imported and although an effective collection system operates in the principal cities, imports amounted to $824,000 in 1959.

Pulp Imports

Although pulp production has more than trebled in the past ten years, imports of all types have not disappeared. One of the main obstacles to further domestic expansion is the lack of power in the interior, where the mills should be located close to the primary materials—pulpwood, bagasse, wheat straw, etc. Completion of planned hydro-electric projects will eventually eliminate this problem.

In 1959, Mexican imports of all grades of wood pulp reached 37,000 tons. This figure included 18,000 tons of dissolving pulp for the manufacture of artificial fibres, 18,000 tons of bleached and unbleached sulphite (paper grades), and 1,000 tons of mechanical wood pulp. Canada's share of this market for pulp for papermaking in 1959 totalled 3,145 tons, down about 20 per cent from the previous year and only 18 per cent of total imports in this category. Sweden and the U.S. shared most of the remainder.

There are opportunities to increase Canadian pulp exports to Mexico, particularly the sulphite grades. Orders are arranged either directly by the customer or preferably through commission agents. It is helpful to have a representative because applications for import permits often have to be expedited through the various government departments.

The Paper Picture

Thirty-five Mexican mills produce a wide variety of paper and paperboard. Most of these producers are small; only five have a capacity of more than 35,000 tons per year. The top three are controlled and operated by Mexican businessmen and all of the small mills are locally owned. Kimberley Clark of the United States has an affiliated company that produces a wide range of sanitary, bond, ledger, crepe and tissue papers. Scott Paper Company also has an interest in one of the local producers. Newsprint from one mill accounts at present for 11 per cent of the market.

Domestic production is concentrated on kraft and wrapping papers, paperboard, tissue and printing papers. First-grade bonds are not available, only one mill makes coated types, and a wide variety of specialty papers have to be imported.

DOMESTIC PAPER PRODUCTION 1959

	Metric tons
Printing and writing paper	115,500
Semi-kraft	115,500
Kraft paper	59,500
Wrapping, tissue, cardboard	59,500
Newsprint	10,000

Although paper-mill capacity has doubled since 1950, the Mexican market does not yet justify production of all types. The Government encourages construction of new mills and expansion of present ones by offering tax concessions and protection from imports. Further development is impeded because it is difficult to obtain long-term timber rights and for this reason prospective investors are reluctant to risk the considerable capital involved. Although new paper mills will nevertheless appear, self-sufficiency is not expected within the next ten years. Production of newsprint, specialty and fine papers is still far below the requirements of an expanding market.

Newsprint imports of 87,782 metric tons were needed in 1959 because output from the lone domestic producer met only 11 per cent of the demand. The Canadian share in these imports was 56,358 metric tons, or 64 per cent of all newsprint imported. The remainder of the market was divided among the United States, Austria, Chile, and Finland, in that order. This volume of imports is expected to be maintained for another four or five years because the increased domestic production will be equalled by an increase in demand. A project for another newsprint mill in the State of Michoacán has been indefinitely postponed.

MEXICAN IMPORTS—PAPER AND PAPERBOARD—1959

Description	U.S.$
Newsprint	13,138,000
White writing papers	1,061,000
Paper used exclusively for printing school books	413,900
Paper for manufacture of carbon paper	233,600
Cigarette paper	1,102,800
Paper or board for the manufacture of cards	313,500
Coated papers	129,800
Glazed papers	54,700
Safety paper	272,300
Carbon paper, n.o.p.	269,700
Glassine paper	502,200
Filter paper	184,800

On the left is a representative list of papers imported into Mexico during 1959 in substantial volume. Most of these achieved increases over the previous year.

Aside from newsprint, Canada is only a marginal supplier of a variety of specialty papers required by Mexico. Fine bond papers are ordered from United States suppliers; coloured papers (some $55,000 worth in 1959) from Italy and the United States, and paper for making carbon ($233,000 worth) from Finland and the United States. Carbon paper ready for use was imported chiefly from Germany at a cost of $269,800 in 1959, almost double the figure for the previous year.

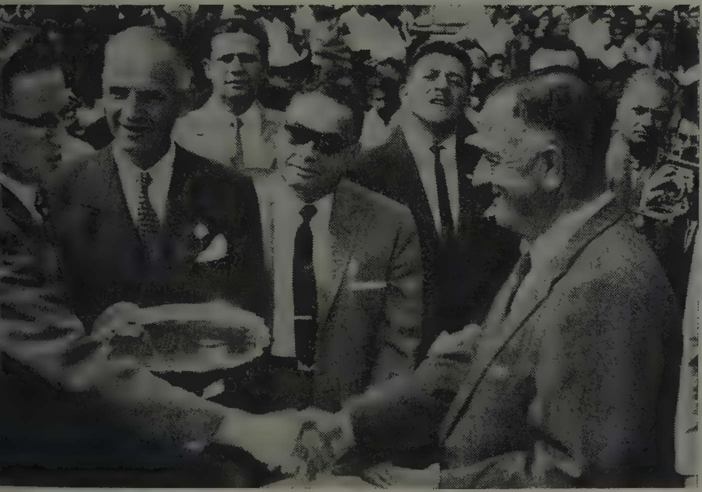
A substantial order for printing papers to be used for school textbooks was recently placed in Finland and the United States. Cigarette paper, ordered in sheets or reels, averages over $1 million a year and the principal supplier is the United States. There is a steady business in imports of glassine, coated and glazed papers. Although cellophane is made in Mexico, imports worth $227,000 in 1959 were also required to meet the demand. In addition to these special types, under a tariff classification "paper of any kind, n.o.p." imports of $532,000 were recorded in 1959, a 25 per cent increase over the previous year.

Worth Promoting

An occasional business visit by Canadian exporters would prove to them that sales are possible despite the restrictions imposed. Excellent representatives are available to consider offers of sulphite pulp and any of the papers listed in the table above and the chances of increasing the Canadian share of the market are good. There is no prospect of selling pulp or papers that are made in Mexico in sufficient quantities to supply the market, because import permits would not be granted. ●

Trade and Commerce at Work

What are the duties of officers of the Department of Trade and Commerce? How do they assist Canadian businessmen? From time to time we plan, through pictures, to show these officials carrying out varied assignments.



Left, top: G. M. Schuthe, Chief of the Transportation and Trade Services Division, and H. A. Hadskis, Assistant Chief, visited the Port of New York to study its export-control procedures. They were joined there by T. M. Burns, Commercial Counsellor in Washington, and F. I. Wood, Vice Consul and Assistant Trade Commissioner in New York. During the visit the Canadians were taken on a helicopter tour of the port. This photograph, taken on the roof heliport of the Port Authority Building, shows, left to right, Mr. Burns; F. L. Brooks, Customs Liaison Officer, Bureau of Foreign Commerce; Mr. Schuthe; Mr. Wood; Mr. Hadskis, and W. E. Sweeney, Director, Strategic Control Division, U.S. Department of Commerce.

Left, middle: M. J. Vechsler (left), Consul and Trade Commissioner in Detroit, and B. R. Hayden, Director, Industrial Development Branch, chat between sessions at the Industrial Symposium held in Windsor by the Greater Windsor Industrial Commission. The symposium was designed to acquaint Canadian and United States businessmen and government officials with the industrial opportunities in the Windsor area.

Left, bottom: Another Canada Trophy is awarded, this time in Mexico, to the owner of a Canadian-bred champion. W. M. Miner (left), Commercial Secretary, presents the silver tray to Juan Aja for his Junior Champion Holstein bull, Leonidas of Rancho El Gavillero, winner at the National Livestock Exposition in Mexico City. Looking on are Lic. Jaime Rincon Gallardo, President of the National Livestock Confederation, government representatives and visiting cattlemen.

Right, above: When T. R. Kinsella, Chief of the Fisheries Division, visited Norway, he was taken on a tour of the fisheries industry by M. B. Bursey, Commercial Counsellor in Oslo. Here, Mr. Kinsella (left) and Mr. Bursey (centre) examine stockfish being cured with the operator of a Tromso fish plant.

Index of Articles in "Foreign Trade"

July-December 1960 Issues

ALGERIA	
The Market in Algeria	July 16
ANGOLA	
Business Conditions	Oct. 22
ARGENTINA	
Market for Paints and Varnishes	July 16
How to Advertise in Argentina	Sept. 24
Argentina Makes Sound Progress	Dec. 17
Market in Brief	Dec. 31
AUSTRALIA	
The Australian Market	Aug. 13
Market in Brief	Aug. 13
The Market for Electronic and Communication Equipment	Nov. 19
AUSTRIA	
Business Conditions	July 2
BAHAMAS	
Business Conditions	Nov. 5
BARBADOS	
Business Conditions	Nov. 5
BELGIUM	
Business Conditions	July 2
Market in Brief	Sept. 10
BOLIVIA	
Business Conditions	Dec. 3
BRAZIL	
Petroleum: Will It Solve Brazil's Financial Problems?	July 30
Market for Paints and Varnishes	Aug. 13
Brazil in the Atomic Era	Sept. 10
Business Conditions	Dec. 3
Brazil Exports Carnauba Wax	Dec. 31
BRITAIN (or UNITED KINGDOM)	
Britain Boosts Chemical Production	July 16
Frozen Foods Catch on in Britain	July 16
Canadian Honey Returns to Britain	July 30
When London Buys	Aug. 27
Exploring the British Market	Aug. 27
The British Demand More Refrigerators	Sept. 24
British Look for Sporting Goods	Sept. 24
Britain Welcomes Canadian Food Mission	Oct. 22
Air Freight to Britain	Nov. 19
Going Up: Sales to Britain	Dec. 17
Any Jewellery for Export?	Dec. 31
BRITISH GUIANA	
Business Conditions	Dec. 3
BRITISH HONDURAS	
Business Conditions	Nov. 5
CANADA	
Canada's Trade with Western Europe	July 2
Vancouver Visits the Orient	July 30
Canada's Trade with the Commonwealth	Aug. 13
Export Trends in Nuclear Products	Sept. 10
Canadian Asbestos for World Markets	Sept. 10
Trade Fair Program 1961-62	Oct. 22
Canada's Trade with The West Indies	Nov. 5
Shipping Services to the Caribbean	Nov. 5
Consulting Engineers Probe Opportunities in Latin America	Nov. 19
Trade and Commerce Calls an Export Conference	Dec. 3
Shipping Services to South America	Dec. 3
Trade Relations with South America	Dec. 17
Trade and Commerce Meets Businessmen	Dec. 31
CARIBBEAN	
Business Conditions	Nov. 5
CEYLON	
Market for Paints and Varnishes	Oct. 8
CHILE	
Market for Paints and Varnishes	Sept. 10
Market in Brief	Sept. 24
Business Conditions	Dec. 3
COLOMBIA	
Colombia Pay Its Debts	Aug. 27
Colombia Needs Engineering Services	Sept. 10
Steel Sparks Metal Industry	Nov. 19
Business Conditions	Dec. 3
COMMUNIST CHINA	
Selling to Communist China	Oct. 8
COSTA RICA	
Business Conditions	Nov. 5
CUBA	
Cuba's State Agencies	July 16
Cuba Expands Chemical Industry	July 30
Business Conditions	Nov. 5
DENMARK	
Business Conditions	July 2
DOMINICAN REPUBLIC	
Business Conditions	Nov. 5
ECUADOR	
Business Conditions	Dec. 3
EGYPT	
Egypt Reclaims Land	Oct. 8
Market for Paints and Varnishes	Nov. 19
Egypt's Cotton Textile Industry	Dec. 17
Egypt Plans Industrial Expansion	Dec. 31
EL SALVADOR	
Business Conditions	Nov. 5

EUROPE	
European Trading Arrangements	July 2
Import Liberalization in Europe	July 2
Trade with Canada	July 2
Euratom Pushes Research Program	Sept. 10
Business Explores the Common Market	Dec. 31

FAR EAST	
Promising Far Eastern Market	Dec. 17

FIJI	
Business Conditions	Aug. 13

FINLAND	
Business Conditions	July 2

FRANCE	
Business Conditions	July 2
French Aircraft Stage a Comeback	Oct. 8
Market in Brief	Dec. 17

GREECE	
Business Conditions	July 2
How to Advertise in Greece	Oct. 8

GUATEMALA	
Business Conditions	Nov. 5

HAITI	
Business Conditions	Nov. 5

HONDURAS	
Business Conditions	Nov. 5

HONG KONG	
Market for Paints and Varnishes	Oct. 8
Hong Kong Develops Plastics Industry	Nov. 19

INDIA	
India Builds Up Paper Industry	July 16
India Makes Tires	July 30
India's Pepper Industry	Aug. 27
India's Atomic Program Progresses	Sept. 10
Refractories in India	Sept. 10

INDONESIA	
Indonesia Announces Monetary Measures	Nov. 19
Market for Paints and Varnishes	Dec. 31

IRAN	
Dates for Canadian Tables	July 30
Market for Electrical Appliances	Aug. 27
Iran Steps Up Pharmaceutical Imports	Oct. 8
Market for Paints and Varnishes	Oct. 22
Iran Exports Carpets	Nov. 19

IRAQ	
Dates for Canadian Tables	July 30

IRELAND	
Business Conditions	July 2
Ireland Expands Textile Industry	Dec. 31

ISRAEL	
Wines from the Holy Land	July 16

ITALY	
Business Conditions	July 2

JAMAICA	
Market for Paints and Varnishes	July 30
Poultry Becomes Big Business	Sept. 24
Business Conditions	Nov. 5
Jamaica: Market for Electrical Appliances	Nov. 19

JAPAN	
Japanese Buy More Canadian Farm Products	July 16
Market for Paints and Varnishes	Sept. 10
How to Advertise in Japan	Oct. 22
How Japanese Trading Companies Operate	Dec. 31

LATIN AMERICA	
Consulting Engineers Probe Opportunities	Nov. 19
Inter-American Bank Set Up	Dec. 3

LEBANON	
Business Conditions	Oct. 22
How to Advertise in Lebanon	Dec. 31

LEEWARD AND WINDWARD ISLANDS	
Business Conditions	Nov. 5

LUXEMBOURG	
Business Conditions	July 2
Market in Brief	Sept. 10

MALAYA	
Market for Paints and Varnishes	Sept. 24
Selling Food Products to Malaya and Singapore	Sept. 24

MEXICO	
Mexico Develops Nuclear Energy	Sept. 10
Mexican Agriculture: Will Imports Expand?	Oct. 22
Business Conditions	Nov. 5
How to Advertise in Mexico	Nov. 19
Market in Brief	Nov. 19
Mexican Market for Chemicals I	Dec. 17
Mexican Market for Chemicals II	Dec. 31

NEPAL	
The Land of Everest	Sept. 24

NETHERLANDS	
Business Conditions	July 2
Netherlands Agriculture: Production and Trade	Aug. 27
The Netherlands Textile Industry	Oct. 22

NEW ZEALAND	
New Zealand: an Improving Market	Aug. 13
Agriculture: New Zealand Seeks New Outlets	Nov. 19

NICARAGUA	
Business Conditions	Nov. 5

NIGERIA	
Nigeria Becomes a New Nation	Oct. 8
More about Nigeria	Oct. 8
Market in Brief	Oct. 8

NORTH WEST AFRICA	
Market Survey	July 16
Who Will Buy Saharan Oil?	July 16

NORTHERN IRELAND	
Business Conditions	Aug. 13
NORWAY	
Business Conditions	July 2
Norway Controls Agricultural Imports	July 30
How to Advertise in Norway	Dec. 17
PAKISTAN	
Doing Business in Pakistan	July 30
Market in Brief	July 30
Market for Paints and Varnishes	Oct. 22
PANAMA	
Business Conditions	Nov. 5
PARAGUAY	
Business Conditions	Dec. 3
PERU	
Market for Paints and Varnishes	July 16
Peru's Trade in Wood Products	July 16
Peru's Industries Import Raw Materials	Oct. 8
Peru Offers Engineering Opportunities	Oct. 22
Business Conditions	Dec. 3
PHILIPPINES	
Market for Paints and Varnishes	Sept. 24
Philippines Makes Headway	Dec. 31
PORTUGAL	
Business Conditions	July 2
PUERTO RICO	
The Trade Commissioner Looks at Puerto Rico	Sept. 24
Business Conditions	Nov. 5
RHODESIA & NYASALAND	
Market for Paints and Varnishes	Dec. 17
SCOTLAND	
Scotland Today: Trade and Industry	Dec. 31
SINGAPORE	
Selling Food Products to Malaya and Singapore	Sept. 24
Market for Paints and Varnishes	Sept. 24
SOUTH AFRICA	
South Africa's Forests	Sept. 24
South Africa's Wood-Using Industries	Oct. 8
Market for Paints and Varnishes	Dec. 17
SOUTH AMERICA	
South America's Trading Pattern	Dec. 3
SOUTH KOREA	
Trade with Canada	Aug. 13
SOUTH VIETNAM	
How to Advertise in South Vietnam	Aug. 13
SPAIN	
Market in Brief	July 16
Spain's Textile Industry	Aug. 13
SWEDEN	
Business Conditions	July 2
Sweden Sets Up Atomic Reactors	Sept. 10
SWITZERLAND	
Business Conditions	July 2
You Can Sell Foods to Switzerland	July 30
How to Advertise in Switzerland	July 30
Switzerland Imports Wood	Nov. 19
Switzerland Develops Electric Power	Dec. 17
Switzerland as a Market for Toys	Dec. 31
SYRIA	
Syria: Drought Cuts Exports	Oct. 8
TAIWAN	
Business Conditions	Nov. 19
TRINIDAD	
Market for Paints and Varnishes	July 30
Poultry Becomes Big Business	Sept. 24
Business Conditions	Nov. 5
UNITED STATES	
Shrimps: the U.S. Industry	July 16
U.S. Promotes Export Trade	July 16
Dates for Canadian Tables	July 30
Resident Buyers—a Lucrative New York Market	July 30
How to Sell Montgomery Ward	Aug. 13
New England's Electronics Industry	Oct. 8
What Is IDA?	Nov. 19
Inter-American Bank Set Up	Dec. 3
U.S. Sponsors Social Progress	Dec. 3
Boating Boom in Michigan	Dec. 17
URUGUAY	
What's Ahead for Uruguay?	July 16
Market for Paints and Varnishes	Aug. 13
Business Conditions	Dec. 3
VENEZUELA	
Toymakers: Try the Venezuelan Market	Oct. 22
Business Conditions	Dec. 3
Venezuela Buys Plywood	Dec. 17
WEST GERMANY	
Business Conditions	July 2
The West German Market	Aug. 27
Canada Shares in Postwar Boom	Aug. 27
Canadian Exporters and List "G"	Aug. 27
Agricultural Imports Bulk Large	Aug. 27
Canadian Oilseeds Find Buyers	Aug. 27
How and What to Sell in West Germany	Aug. 27
How to Advertise in West Germany	Aug. 27
Germans Study Nuclear Power	Sept. 10
WEST INDIES	
Business Conditions	Nov. 5
Trade with Canada	Nov. 5
YUGOSLAVIA	
Business Conditions	July 2

How to Sell the U.S. Supermarkets

United States supermarkets, with their multi-billion dollar buying power, are interested in and welcome imports.

Canadian exporters may make contact with them through Canadian-based sales representatives near major U.S. markets, through buyers and import managers of the national supermarket chains, through the use of food brokers, and through trade fairs.

Here are suggestions about approaching and developing this potential market.

R. T. MERCER, *Commercial Assistant, Detroit, and*
D. L. RUSSELL, *Commercial Assistant, New York.*

THE genius of the United States merchandiser is shown by his ability to provide mass distribution of thousands of types of domestic and imported foods. This is borne out by the growth of supermarkets, which have now become the most important type of food outlet in the United States. Estimates based upon figures released by the U.S. Department of Commerce place supermarket sales as high as $32 billion, or almost 70 per cent of all grocery-store sales in the United States.

More Canadian firms might well try selling their products to these outlets, and especially to the chains that do the purchasing for many of them. Today's supermarkets stock up to 8,000 separate items each, only 5.1 per cent of which are non-food products. Their customers are purchasing foreign foods in increasing amounts. The tang of imported cheese, the meaty goodness of Canadian bacon and ham, the flavour of certain imported jams, jellies and marmalades—all these appeal to supermarket customers.

In considering this market, Canadian companies are particularly fortunate in their geographical position. The New England, middle Atlantic and north central states (east and west) alone constitute an area in which 55 per cent of supermarket sales, totalling $17.7 billion, take place.

First Steps

Canadian exporters who wish to cultivate this huge market should first become familiar with U.S. Government regulations about food products and make sure that they comply with these before making any shipments. Among the regulations affecting the largest number of foods are those made by the Food and Drug Administration of the U.S. Department of Health, Education and Welfare. This agency enforces the regulations on proper food labelling and on cleanliness, and protects the consumer also against the use of harmful additives in any food product. It also sets standards of identity, quality and fill of container for a wide variety of foods, including certain canned fruits and vegetables, bakery products, macaroni and noodle products, cheeses and cheese products, shellfish, jellies and preserves, and canned tuna. Meat and meat products (from cattle, sheep, swine and goats) fall under the authority of the Meat Inspection Division of the Department of Agriculture, and poultry and poultry products under the Poultry Division of the same department. Both divisions enforce strict sanitary, marking and inspection standards.

Import quotas are in effect on certain dairy and agricultural products, such as butter, some cheese, (including cheddar), dried milk, dried skim milk, dried cream, and also substitutes for these products. Wheat and wheat flour, rye and rye flour are similarly restricted. In all these matters, and for information on the tariff, it is advisable to consult the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa, or the Canadian Trade Commissioners stationed in the United States, for advice and assistance.

When it comes to the actual sales approach to the supermarkets, it is useful to know that they have set up buying and administrative offices to purchase and distribute throughout their organizations huge quantities of varied merchandise. In the

Approximate Gross Profit Margin

1959 AVERAGE GROSS MARGIN	COMMODITIES
30% and up	Health and beauty aids Housewares Waxes and polishes Household supplies Soft goods Spices, extracts, salt
25% to 30%	Books, magazines, stationery Low calorie foods Pickles, olives, vinegar Jams, jellies, preserves Candy, gum Frozen foods Potato chips, party snacks
20% to 25%	Nuts Ice cream Dried vegetables Dried fruits Macaroni products Laundry supplies Cookies, crackers Tea Sauces, condiments Soft drinks Salad dressings Canned vegetables Peanut butter Cheese Paper products Cleansers Bread, cake, sweet goods Canned fruits Canned fish Syrups, molasses, honey Pet items Canned meats, spaghetti
15% to 20%	Canned juices Premixes, baking supplies Cocoa and chocolate Desserts Beer Cereals Canned and dried soups Flour
10% to 15%	Instant coffee Margarine Eggs Shortening, oil, lard Detergents, soap Baby foods Canned and dried milk Fluid milk, cream Sugar Regular coffee
under 10%	Butter Cigarettes and tobacco

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purchasing department, buyers specialize in the selection of several closely related types of foodstuffs with which they are thoroughly familiar. Each has a staff of assistants and the buyers are divided into groups headed by a department manager. They are in constant touch with sales representatives, department managers, store personnel, and district and regional managers. They are thus continually aware of what the public wants, what the competition has to offer, and when and where to buy to the best advantage. The size of a purchase depends upon the knowledge and experience of the regional management and of their staffs, right down to the individual store.

Methods of Selling

Canadians may wish to consider several ways of selling in this field.

1. *Contact import manager of large supermarket chains*—A few of the very large supermarket chains have established a separate division to investigate and consider imported merchandise. This is helpful to the exporter because the import manager wants to promote the purchase of foreign goods, and his department is capable of co-ordinating all the necessary steps—requests for samples and quotations; corresponding with the supplier; placing of orders including shipping instructions; payment of deliveries, freight, import duties, and arranging for customs clearance.

Further, the import manager is able to co-ordinate his efforts with those of the domestic buyers and frequently can give valuable advice to prospective exporters on packaging and design and on merchandising programs. The import manager is therefore a logical contact for firms or individuals anxious to do business with the United States supermarkets and with plants capable of providing national coverage.

2. *Call on supermarket buyers*—Supermarket buyers welcome the opportunity to learn of new prod-

ucts and sources of supply. However, the time which can be allotted to each visitor is limited and answers to the buyer's anticipated questions should be prepared in advance.

Most supermarkets have a printed form for new items which contains essential information as to the amount of liability insurance carried by the vendor, compliance with Food and Drug Administration regulations, prices and discounts. This form also calls for specific information on current and proposed promotion and advertising programs. When possible, it is best to fill this form out in advance, so that the time spent with the buyer will be used only to discuss significant matters outlined on the form. It is important that promotion and advertising proposals made by the vendor be definite and accompanied by proofs and artwork, wherever possible.

It cannot be expected that American supermarket buyers will issue orders for new products on the spot. It is, however, on the basis of a thorough and documented presentation of all pertinent facts that the buyer will either reject the item or pass it on to the buying committee for further consideration. It is within this committee that the ultimate selection of new items is made and thus the supporting material furnished to the buyer plays a doubly important role.

3. *Consider representation in adjacent U.S. markets by Canadian-based sales personnel*—Sales representatives stationed in border cities close to heavily populated United States areas can provide coverage of and representation in both the local Canadian and U.S. markets. For example, in the metropolitan Detroit area, there are 23 supermarket chains, the majority of which are independents. The 400 supermarkets in this area represent a very substantial market that can easily be covered by Canadian firms working out of Windsor.

4. *Use a food broker*—Canadian manufacturers or exporters who find it impractical to maintain their own representatives in the United States or to use their Canadian sales personnel should seriously consider competent food brokers.

A food broker is an independent business firm which offers a high standard of sales service at low cost. He acts as the supplier's salesman, generally concentrating on a local area, makes possible frequent contacts with the buyer and understands the market climate in his area. Although the commissions paid the broker are strictly a matter of negotiation between the parties concerned, generally speaking they range between 5 and 7½ per cent.

For satisfactory results, intelligent selection of a number of brokers for representation is necessary. We suggest that, if possible, the chosen firms be "sized up" in a personal interview. The exporter can then decide which one is best qualified to sell the particular product. If personal contact is impossible, a letter explaining the product and the company's plans for marketing it, plus samples, price lists, and advertising material, should be directed to a prospective broker.

The National Food Brokers Association, 1916 M Street N.W., Washington, D.C., welcomes inquiries on the services of food brokers and makes its membership directory available to manufacturers. The Trade Commissioner offices can also assist in contacting reputable firms or individuals outside the membership of the Association.

5. *Attend trade shows and exhibitions*—Trade shows and exhibitions are a good medium for introducing Canadian merchandise to a large group of supermarket personnel as well as food brokers and wagon jobbers, both of whom cover the supermarkets. Conventions, exhibitions and trade shows are held annually by such organizations as the Supermarket Institute Inc., National Food Brokers Association, International Specialty Food and Confections, Wagon Jobbers, Food Importers, and National Food Distributors.

The Super Market Institute Inc., 500 North Dearborn Street, Chicago 10, Illinois, attracts thousands of members to its annual convention and exhibition; they find the exhibition an interesting method of discovering new products.

The National Food Brokers' Association, the NFBA Building, 1916 M Street N.W., Washington 6, D.C., can supply information about its annual convention which draws from a membership of over 2,000 firms. Canadian firms interested in food brokerage representation as a medium of contacting supermarkets as well as the retail grocers and institutional trade should consider this convention seriously.

The International Specialty Food and Confection Show, a four-day affair held annually in Chicago since 1957, is directed at buyers in the fancy food and confectionery industry and offers market possibilities for exporters of premium-quality gourmet-type foods, including maple products, fresh lobster, fish products, smoked and canned pork products, canned fruits and vegetables, jams, jellies, sauces, and cheese. The show is heavily patronized by buyers in the Chicago area and some buyers from New York also attend. There are some 88,000 specialty food stores (chain and independent) in the United States and contact can be made with this group, as well as supermarkets and food brokers at this show.

The National Association of Retail Grocers of the United States (NARGUS), Chicago, sponsors a convention and exhibition in which quality products other than specialty foods could be shown to advantage. The National Association of Food Chains in Washington, D.C., no longer holds an exhibit at its annual convention (to be held in Chicago this year) but it welcomes all suppliers at the meetings and gives them an opportunity to discuss their lines with the Association's members.

The National Food Distributors Show in Chicago is devoted to industries supplying the wagon trade—distributors who have refrigerated trucks calling on supermarkets and retail stores.

New York also has a trade show that might be worth considering—the National Fancy Food & Confectionery Show, held annually. Similar in scope and objectives to the International Food & Confection show mentioned above, it is sponsored by the National Association for the Specialty Food Trade, 550 Fifth Avenue, New York 36. The next one will be held in August 1961. All participants must become members of the sponsoring organization.

For producers of frozen foods, the National Frozen Food Merchandising Convention and Exposition is held annually in different parts of the country; the 1961 show is scheduled for Bal Harbour, Florida, in November. It is organized by the National Frozen Food Association, 60 East 42nd Street, New York.

Participation in a trade show, with representation qualified to discuss intelligently prices, quantity discount terms, factory capacity, private labelling, and other related topics, will provide contact with firms or individuals directly connected with buying for or selling to the supermarkets.

Pricing for Supermarket Sales

One of the most important factors for the Canadian supplier to bear in mind when approaching the U.S. supermarket is that his product should be competitive with its possible domestic counterparts. All too frequently, some suppliers hold the opinion that the import of their product in itself justifies a higher price to the consumer. It must be remembered that supermarket shoppers have became adept at making quick comparisons between package contents and prices offered by competing goods. Products which fail to meet this close value scrutiny soon lag behind in sales and are immediately dropped from stock.

In calculating prices, which should always be on a delivered basis to the supermarket warehouse, Canadian suppliers may be guided by the following approximate gross profit margins at retail.

25 to 30%—frozen foods, candy and preserves
20 to 25%—baked goods and canned goods, including meats, fish, fruits and vegetables
15 to 20%—desserts, cereals, macaroni products, juices and soups.

Promotion and Advertising

Although price remains the principal stimulus to supermarket sales, it is not the only means by which the various supermarket organizations seek to attract and hold new customers. As a result, far greater importance than ever before is attached to introductory and trial offers, coupons, premiums and other promotion devices. Canadian firms should make liberal provision for meeting these requirements of supermarket sales, both independently and in co-operation with the stores.

Once entry to a supermarket organization has been obtained, it is wise for the supplier to make a special effort to keep the account active and moving. Any changes in prices, allowances or promotion programs should be conveyed to the buyer immediately. Do not delay until he has become aware of these facts through the activities of his competitors. In this way, the business you develop can become permanent, not merely fleeting.

Spain's Almond Industry

SPAIN is the world's leading producer of almonds, followed by the United States and Italy, and almond exports are very important to the Spanish economy. This was recognized in the years following the end of the Civil War when hard currency reserves were at their lowest ebb and the Government intervened in the handling of the crop. In 1948, it was laid down that 75 per cent of the crop must be exported and since then the policy has been to step up the export drive.

Sales abroad from the 1959-60 almond crop were forecast at 27,000 metric tons and 24,700 metric tons were shipped in the first ten months of the season. The growth of Spain's almond trade is illustrated by the following export figures (the sharp drop in 1955 and 1956 was the result of severe frost damage): 1954, 14,900 metric tons; 1955, 4,000; 1956, 4,400; 1957, 15,200; 1958, 20,200, and 1959, 20,200. Spain sells her almonds to 46 countries. The principal markets are the United Kingdom, France, West Germany, Switzerland, Sweden, Canada and the United States. Canada's almond purchases from Spain in the first eight months of 1960, according to DBS statistics, totalled 80.4 metric tons of unshelled worth Can.$33,514 and 525.7 tons of shelled worth Can. $500,524.

The almond groves are dispersed widely throughout Spain's arid Mediterranean regions in the provinces of Alicante, Murcia, Granada and Tarragona and on the Balearic Islands. Many varieties are cultivated but the tendency in recent years has been towards uniformity in order to facilitate exports. Since the crop varies greatly from year to year, a comparison of five-year periods gives a more accurate picture of production: 1931-35, 140,500 metric tons (374,000 acres under cultivation); 1941-45, 141,000 (377,000); 1946-50, 167,000 (385,000); 1951-55, 170,000 (390,000). The 1960 Spanish crop was estimated at 30,000 metric tons; the United States expected to produce 27,000 metric tons and Italy 20,000.

Spain's future prospects for almond exports are not entirely bright. Italy, which is within the economic boundaries of the Common Market, is a serious competitor for its French and West German markets. Turkey and Greece also may become a threat in the future. Prospects within the Outer Seven group are much brighter because the United Kingdom, Sweden and Switzerland are important customers.

—M. T. STEWART, *Commercial Counsellor, Madrid.*

Advertising Abroad

In the Republic of Ireland, newspapers are the most popular medium, followed by bus cards, posters, and ten-second films. Radio time is limited and fully booked.

W. R. VAN, *Commercial Secretary, Dublin.*

SUCCESSFUL selling in the Republic of Ireland depends on much the same methods as those used in other progressive countries today. To introduce new products, either imported or made locally, advertising in various forms is a must. Only through advertising can consumers be weaned from their preference for long-entrenched familiar brands. Although small in size and population, the Republic is becoming an increasingly important and much-sought-after market. This is clearly shown by the figures on imports, which during 1959 were valued at well over $600 million. Local industry is also expanding rapidly.

Advertising in the Republic presents no special problems, but it should be carried out by local firms which understand the right approach to the buying public. Even slight variations in the form of advertising are important. The Irish people are essentially individualistic and should be thought of as a distinct entity, different in many ways from the people in the neighbouring island of Great Britain. There are no language problems, no colour taboos and no special views on trade-marks. Local prejudices, largely a matter of viewpoint, should be investigated for each product individually.

The Media

- *Newspapers and Magazines*—Newspapers are the most widely used medium in Ireland. The bulk of advertising is concentrated in the three morning, three evening and three Sunday papers published in Dublin and in the *Cork Examiner* and *Cork Evening Echo* published in Cork. The chief provincial newspapers also carry considerable advertising.

Irish magazines too play a relatively important part. These include the *Irish Tatler and Sketch, Creation, Social and Personal, Model Housekeeping, Radio Review,* and *Dublin Opinion.* On the other hand, the amount of advertising done in directories and yearbooks is comparatively small.

- *Posters and Signs*—Posters are widely used in the chief cities, such as Dublin, Cork, Waterford, Limerick and Galway. The use of electric signs, especially in Dublin, is increasing. Streamers and billboards are not often seen. Another popular form of advertising is bus cards, both outside and inside the buses, particularly as almost all road transport is handled by one company. There are no streetcars and taxis do not accept advertising.

- *Radio and Television*—The government-owned Radio Eireann provides limited time for sponsored programs in the morning and at the lunch hour and after; this is completely booked and there is a substantial waiting list. At present, there is no Irish television other than programs received from Ulster Television and the BBC. It is now expected that Irish television will be in operation within the next year. Undoubtedly a certain amount of time will be allocated to sponsored programs, as on Radio Eireann, and it is certain that many of the larger companies here will take advantage of the opportunity.

- *Cinema*—Ten-second films are extremely popular and many of the local cinemas and theatres are completely booked. Film shorts are used to a limited extent; slides are now on the wane.

- *Other*—A certain amount of direct mail advertising is done, but so far none of the local advertising firms specializes in this medium. There is an increasing tendency to use the point-of-sale approach: counter cards in particular seem to have a special appeal.

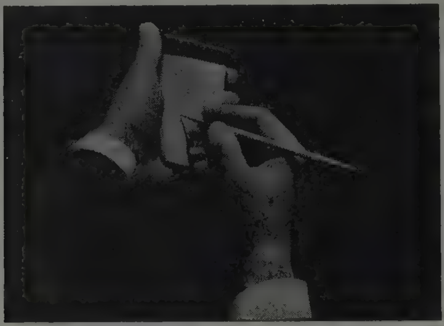
Trade fairs also play their part in selling. Most valuable are the commercial sections of the Horse Show and the Spring Show in Dublin, which provide for extensive trade showings, and also the Ideal Home Exhibition usually held each fall.

Advertising Agencies

There are about 20 good advertising agencies in the Republic of Ireland, most of which have some sort of reciprocal arrangement with United States and, to a lesser extent, Canadian agencies. These arrangements are rather loose and do not debar the agency from handling non-competitive accounts. Several firms specialize in market research—the major agencies too are quite capable of doing this type of work. Nearly all of the local agencies offer complete service. They usually work on the basis of a commission from the medium, plus a service fee of about 5 per cent paid by the advertiser.

They are also prepared to work with Canadian agencies, usually on a fifty-fifty basis.

Because of the keen competition for the Irish market, it is wrong for the exporter to assume that he can make much headway without undertaking some type of advertising. Although advertising in Ireland presents no great problems, the market must be approached from a local angle if one is to sell successfully and avoid the waste of money that results from an ill-conceived program. It is for this reason that Canadian firms who want to advertise here should conduct their campaigns through one of the well established local agencies, either directly or with a Canadian correspondent. ●



General Notes

Australia

RETAIL SALES—Retail sales throughout Australia reached a record total in 1959/60 of approximately $6 billion, a rise of 7.6 per cent over the total for the previous year. The figures do not include sales of motor vehicles or petrol. Food and groceries totalled approximately $2.2 billion, and accounted for 34.9 per cent of all sales; beer, wines and spirits accounted for about 10 per cent; clothing and drapery for 16.5 per cent; electrical goods 7.2 per cent, and hardware, china and glassware 6.1 per cent—Sydney.

Belgium

STEEL PLANTS—Plans are now being studied for the establishment next year on the Belgian coast or at Ghent of a mill for the production of flat steel, especially cold rolled sheet. The mill will have a capacity of about two million tons a year.

The company will be formed by Cockerill-Ougrée and La Providence in Belgium, ARBED in Luxembourg, the Knuttange, Creusot and Normandie groups in France, and Youngstown Sheet and Tube Company in the United States.

Location of the plant near adequate port facilities will lower the cost of transportation on foreign ore, which in time is expected to replace the dwindling reserves of iron ore in the European Coal and Steel Community—Brussels.

Brazil

INDUSTRY—Over a period of 20 years, from 1938 to 1958, Brazil has climbed from third to first place as Latin America's most industrialized country, according to figures published by the United Nations in *Patterns of Industrial Growth 1938-1958*. Twenty years ago Argentina, then the leading country, contributed 31 per cent of Latin America's industrial production, followed by Mexico with 20.1 per cent, and Brazil with 16.08 per cent. Ten years later Brazil was in second place. Within the past five years of the period under study (1953-58) Brazil has become the leading industrial producer with an average contribution of 23.3 per cent a year—Rio de Janeiro.

New Zealand

TOURIST TRADE—This year has undoubtedly been the most successful yet in promoting New Zealand's tourist attractions in the U.S. Its success is reflected in the steadily increasing number of U.S. visitors coming here. During the last four years these numbers have more than trebled—from less than 2,000 in 1956 to more than 6,400 in 1960. Tourist spending rose from £194,000 to £551,000—Wellington.

Republic of Ireland

EXPORTS—Exports in the first half of 1960 rose to $191.52 million, $23.24 million (13.8 per cent) higher than in the same period of 1959, largely as the result of greater sales of manufactured and processed goods. Cattle exports, formerly the main item, continued at a slightly reduced level; vehicle exports, including automobiles, to the United States increased by $2,343,600, and textiles, clothing and footwear by $3.92 million.

The most striking improvement was shown by the group covering oils, fats, fertilizers, chemicals, colours and perfumery, sales of which rose by over 600 per cent, from $896,000 to $6,504,400. Processed foodstuffs of animal origin also registered an increase, from $29.96 million to $36.68 million. Exports to the dollar area at 9.8 per cent were 1.2 per cent higher than in the same period of 1959.

The volume of production index for manufacturing industries alone showed output up by 8 points to 120, earnings up by 9.4 points, and employment up by 3,426 to 148,274—Dublin.

South Africa

DECIMAL COINAGE ADOPTED—On February 10, 1961, South African banks will close their books forever to the pound, shilling and pence currency. They will re-open on February 14 using a decimal system of coinage in denominations of cents and rands. One hundred cents will be equal to one rand; a rand will be the equivalent to the present 10 shillings ($1.40 approximately). Because such things as the conversion of 140,000 accounting machines will take some time, a dual monetary system will exist for 18 to 20 months after February 14.

The half-cent and one-cent coins will be bronze; two-and-a-half, five, ten, twenty and fifty-cent coins will be silver. Bank notes will be in denominations of R1 (one rand) R2, R10, R20. Although half-cents are to be used as coins, cheques will only be accepted when made out to the nearest whole cent—Johannesburg.

Sweden

INDUSTRIAL SLOWDOWN—Economic developments during the third quarter of 1960 changed the pattern of Sweden's industry, following the expansion which characterized the latter half of 1959 and the first half of 1960, the Swedish Institute of Economic Research reports in its latest survey. Even in June indications of stagnation were noted in some branches and these have now spread and become more pronounced. The Institute's "barometer" survey indicates that the over-all industrial production might have shown a slight upward trend between the second and third quarter of this year. For the iron ore mines, the iron and steel works and the engineering industry, excluding the shipyards, the upswing was apparent, this being particularly true of the iron ore mines and the electrical engineering industry. Other mines and the shipbuilding, timber, pulp and paper industries report a standstill in production.

Stagnation, or possibly decline, has hit the cement and brick, the shoe and tobacco industries. But production has continued to rise in the food and chemical industries.

The flow of orders during the third quarter seems to have followed more or less the same pattern as production. For the last quarter, the forest industry expected to obtain about the same volume of orders as in the third quarter, both from the export and home market. The engineering industry as a whole was counting on a slight increase in new orders; the iron and steel works expected stagnation, as did the producers of building materials—Stockholm.

Switzerland

BOND ISSUE FLOATED—A bond issue of Sfr.20 million was successfully floated in Switzerland by the city of Quebec through a syndicate of leading Swiss banks. The offering consisted of 4½ per cent bearer bonds of Sfr.1,000 nominal capital each, at a price of issue of 100 per cent. These bonds will be repayable at par on October 1, 1978, at the latest. The issue was substantially oversubscribed by the Swiss public, as was the Sfr.40 million loan previously floated on the Swiss market between June 24 and 29, 1960, by the Province of Saskatchewan—Berne.

Venezuela

PHARMACEUTICAL PRICES CUT—The Venezuelan Government recently announced price reductions, averaging about 50 per cent on some 200 pharmaceutical products, mainly vitamin preparations. This brings to 400 the number of pharmaceutical products that have been reduced in price since regulations governing antibiotic products were introduced. To enable pharmaceutical establishments to dispose of existing stocks without incurring losses, the reduced prices did not come into effect until November 6, 1960—Caracas.

Trade and Tariff Regulations

Greece

IMPORT TARIFF SURCHARGES—To raise revenue for a new social insurance scheme for the rural population, the Greek Government has introduced import tariff surcharges, effective November 19, 1960. Canadian exporters will be especially interested in the special levy of 40 per cent, under the consumption tax as provided for under Emergency Law No. 1991 of 1939 and as subsequently amended, covering certain luxury items, including whisky and gin; leather; furskins (tanned or processed or made into finished products); and passenger automobiles with a value f.o.b. factory of over U.S.$1,800. A special levy of 10 per cent is made on the value of certain other articles imported from abroad, including radio and television receivers and parts, tape recorders and parts, and electrical household appliances of most types, but not including washing machines—Athens.

Exporters interested in further information on these surcharges should consult the International Trade Relations Branch.

How Ceylon Imports

If you are interested in selling to the Ceylonese, you need these facts about the different types of import houses there and how they buy.

I. V. MACDONALD,
Commercial Secretary, Colombo.

CANADIAN exporters should take a closer look at the trade and industrial opportunities here now that Ceylon has eased import restrictions on dollar goods and permits the entry of most products. Plans for a high rate of industrial and agricultural development should also create new market openings. Despite its financial difficulties and balance-of-payments deficit, Ceylon has employed import controls only to a limited degree and to restrict total imports. However, the Government recently introduced tariff increases to check a rapid rise in purchases from abroad ($400 million in 1959), and these may affect some Canadian firms.

Registered Ceylonese Traders

A more important application of import controls is the encouragement of the "Ceylonization" of business by channelling imports from Canada and many other countries through registered Ceylonese traders. These are, generally speaking, individual citizens, but public companies, partnerships and other business units may also be so classified if they meet certain conditions. A firm is considered officially Ceylonized when the majority of the owners and directors are Ceylonese citizens, or for public companies with shares issued in Ceylon, when the majority of the directors are Ceylonese citizens. A number of former British importing houses have taken steps to become Ceylonized but a few large companies have not yet applied and consequently they are restricted in their dealings with exporters in Canada and other specified countries.

Trading and Engineering Firms

A large proportion of Ceylon's import and export trade is handled by a relatively small number of British and former British trading and engineering companies who have had many years of experience. These larger firms hold a galaxy of important agencies for products ranging from condiments to locomotives. Several firms with construction and engineering facilities offer technical co-operation with overseas principals and with the Ceylon Government in the design and construction of large develop-

Typical small shops in the bazaar at Colombo. These shops handle a large share of the consumer goods imported, including Canadian-made terylene shirts and some Canadian canned foods; they often carry on both wholesale and retail business.

PESONS
KARTARS
ARTISTIC SAREES
PESONS
NOVELTY SILKS
KARTARS
JEZIMA

ent projects. Canadians could
articipate as consultants, contrac-
ors and suppliers in these projects,
hich have already yielded substan-
al incomes to successful tenderers.
present plans are fulfilled, the
les possibilities in this field will
crease greatly during the next five
ears. To participate in such pro-
cts as contractors or suppliers, it
almost essential to obtain repre-
entation of some sort in Ceylon.
or projects involving technical
aff, contact with a local engineer-
g firm is recommended. Canadian
onsulting companies, on the other
and, may wish to make only in-
ormal arrangements with a local
ompany or individual to act as
dviser on forthcoming projects.

In addition to the established
ritish and European trading and
ngineering companies, there are
any substantial firms under Cey-
nese or Indian ownership and
anagement, some formerly British
nd employing technical staff from
broad. They include importers of
utomobiles, trucks, paints, hard-
are, marine engines, fisheries sup-
lies, domestic appliances, food-
uffs, textiles, pharmaceuticals,
household goods, tools, etc. Some also export Ceylonese products.

There are several department stores in Colombo that not only retail but also act as direct importers and as exclusive wholesalers for their overseas principals. One department store is operated by a government-owned co-operative organization that buys abroad either direct or through local agents and importers.

The Bazaar

In contrast to the former British business community which is dominated by a small number of fairly large companies (including several sales subsidiaries of U.K. manufacturers), the bazaar trade is in the hands of a much greater number of firms. They account for a large proportion of consumer goods imports and some of them are very influential because they are the exclusive agents for certain products. Generally these importers conduct both wholesale and retail business. Sales on a commission basis are discouraged by legislation that permits the Ceylon Government to levy taxes on foreign exporters considered to be thus earning a trading profit in Ceylon.

Colombo Is Trade Centre

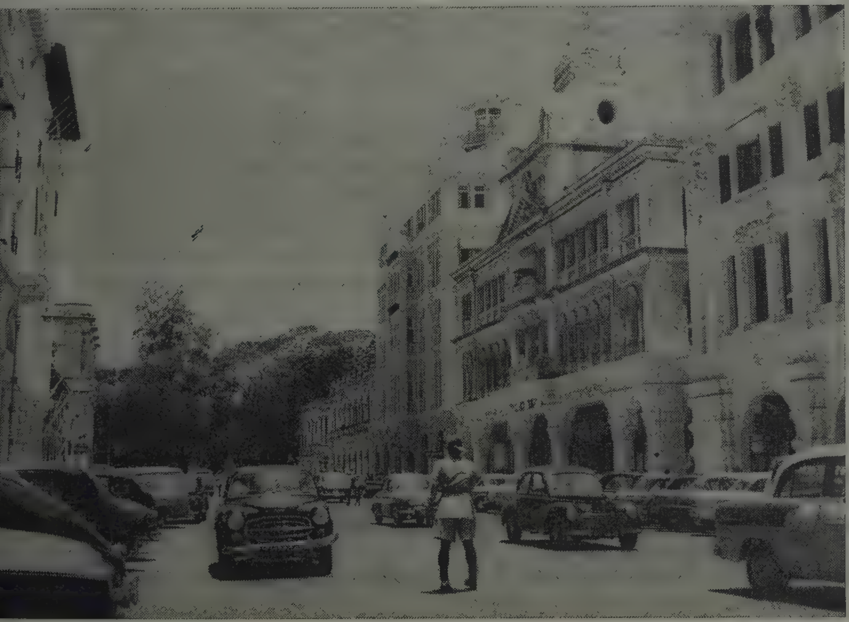
Colombo is the importing and trading centre of Ceylon. It is almost unknown for overseas exporters to appoint a separate agent in other centres, although Colombo distributing companies frequently maintain branch offices in the more important plantation and fishing areas, which are also served by travelling display units. Not only has Colombo the greatest concentration of population in Ceylon but it is by far the most important port and communications centre on the island. In recent years, however, the port has suffered from operating difficulties which, combined with limited berthing facilities, have resulted in congestion. Most cargo is discharged into lighters at Colombo and this increases the risk of damage and pilferage. Exporters should take suitable precautions against these in preparing goods for shipment.

Many Small Companies

As in many other Asian markets, small trading companies mushroom in Ceylon, usually supported only by the enthusiasm and limited financial means of a single owner-manager. Although such firms occasionally put on a remarkable performance, many soon disappear without a trace. Therefore exporters seeking new contacts are advised to request references and/or offer only suitable secured terms of payment until the standing of the firm can be clearly assessed.

Many Canadian firms have already contacted customers in Ceylon, and a few have won a rewarding volume of sales here, principally of newsprint, asbestos fibre, automobile parts, drugs, medicines, and malt. Flour is exported to Ceylon under the Colombo Plan. The Commercial Secretary, P.O. Box 1006, Colombo, will be happy to provide further information on the various types of firms discussed in this report. ●

*government-owned co-operative now is housed in the former British-owned depart-
ent store (middle, right). It imports either direct or through agents; sells, among
ther products, Canadian canned fish and canned meat and vinyl fabrics.*



Export Merchants Help British Trade

W. GIBSON-SMITH,
Commercial Counsellor, London.

- *Cope with intricate and technical problems of foreign trade.*
- *Leave manufacturers, especially small ones, free to concentrate on production.*
- *Seek out export opportunities.*
- *Offer way to cover less important export markets.*
- *Sometimes act as confirming or buying houses.*
- *Advise on packaging and delivery requirements in various markets.*

EXPORT merchants are a very important element in getting British goods moving abroad. The only time heads were counted in this business was ten years ago, and they then employed more than 20,000 people, mostly full-time male workers.

There is a considerable variety among these firms. One thing they have in common—as the term "merchant" signifies—they pay the manufacturer cash for his goods at the port of shipment and themselves assume the risks from then on. They may be roughly divided into two categories.

- Those who have an intimate knowledge of certain export markets and specialize in exporting to those markets, visit them, and usually speak the languages used in them.
- Export merchants with special knowledge of certain types of products, who keep an eye on the entire outside world for opportunities to sell them. If they are specialists in engineering products, they are (or employ) engineers.

Business Is Large

Most British export merchant houses are long established and their relative importance in exports has probably not altered greatly in the last ten years. The amount of business that they do is very large indeed. When the Government took a census of this field a decade ago, export merchants reported overseas sales of about £350 million a year. (This figure included an unknown quantity of re-exports but excluded transhipments.) It represented no less than 16 per cent of the total value of all United Kingdom exports of produce and manufactures in that year. (Export merchant houses that belonged to manufacturers are not included in these figures.) High though the figure given above is, it represents less than complete coverage of firms. In addition, there is a growing tendency for manufacturers' export merchant houses to handle the goods of other producers as well as those of their parent, and any such business would not be reflected in these calculations. The figure should therefore be mentally raised considerably. Of some 1,400 export merchant firms reporting (again excluding those owned by manufacturers), more than one-third carried stocks. They in turn did more than one-third of the export business done by all the export merchants.

Advantages Stressed

The British Government, as part of its recent campaign to bolster exports, is drawing to the attention of manufacturers the advantage of using export merchants. It recognizes that the smaller manufacturers often cannot be expected to cope with the intricacies of and the pitfalls inherent in foreign trade. Such trade presents problems not only complicated and highly technical but constantly changing with the political and economic fortunes of the outside world. Nor is it considered reasonable always to expect manufacturers to seek out or recognize all the export opportunities, no matter how much commercial intelligence, government and otherwise, is available to them.

The Government points out that there is no good reason to suspect export merchants of raising export prices unduly. If they did, they would not, in this increasingly competitive world, obtain business abroad. An individual manufacturer may run into higher freight charges than an export merchant who can often make combined shipments of various products to one overseas client. The manufacturer does not as a rule have to pay a retainer or commission to these houses but is paid by them for his goods. Even some of the giant manufacturers in this country, with their own network of distributors in most parts of the world, use export merchants to cover some less important markets.

How They Operate

The large volume of export trade handled by British export merchants enables them to divide their overhead among a variety of merchandise and to work on a gross margin on the average of about 9 per cent. Some 3 per cent of this is eaten up by salaries of employees (not proprietors).

British manufacturers, even if they secure an export order through their own representatives abroad, often hand the transaction over to an export merchant, who then acts as a confirming or buying house. This is often requested by the overseas buyer, who may be accustomed to dealing in this manner. Such overseas buyers regard their export merchant houses here as their headquarters in Britain when they visit this country. They usually pay the export merchant according to results and frequently obtain from him extended credit terms.

Export merchants in Britain do not simply handle business which comes their way. They generally visit at intervals the markets of chief interest to them to seek new orders. With their enviable experience in export trade, they are firmly established and their rôle is rarely questioned by those who use them. Although they often offer useful advice on design, packaging or delivery requirements for various markets, they do not bother the producer about any details once the goods reach the port of shipment. They leave him free to concentrate on manufacturing. ●

New Zealand's Fertilizer Industry

THE fertilizer industry in New Zealand is as old as the country itself, because prosperity there has always depended upon primary agricultural production. Generally, New Zealand's soils have low natural fertility and the continued regular application of fertilizer, particularly phosphates, is vital to pasture growth.

The demand for fertilizer, already high, has recently been increased, as thousands of acres of previously inaccessible hill country are brought into production through the use of aerial topdressing. Substantial areas are still awaiting development by this method. Three new plants have been built since 1958 to handle this increased demand for fertilizer and plans for a fourth in the North Auckland area are being considered.

The fertilizer industry in New Zealand comprises twelve major plants turning out more than 120 different types of fertilizer. Together they produced more than one million tons in 1959/60, an increase of nearly 17 per cent from the previous year. (The more striking 23 per cent rise in total deliveries is somewhat inflated as many farmers increased fertilizer application over the last year to make up for lower usage in 1958/59.)

Competition within the industry is keen and has quickened in recent years when three farmers' co-operatives began producing.

Although fertilizer in New Zealand is essentially phosphatic, there is a marked trend away from pure superphosphate to mixtures, as the table shows. Production is being adapted to this growing demand for superphosphate mixed with potash and other elements.

NEW ZEALAND'S PRODUCTION OF FERTILIZERS

('000 tons)

Type	1949/50	1957/58	1958/59	1959/60	Percentage increase or decrease 1949/50-59/60
Straight super	439	394	318	268	— 39
Aerial super		16	97	157	+157
Serpentine super	128	203	152	169	+ 32
Lime reverted super	20	28	30	31	+ 55
Cobaltized super	58	95	89	87	+ 50
Other mixtures and compounds	50	231	262	398	+696
Total	695	967	949	1,100	+ 60

European countries, chiefly West Germany, Belgium, the Netherlands, and France supply the bulk of New Zealand's imports of fertilizer. Canada's present sales comprise only very small amounts of ammonium sulphate (81 tons for the first eight months of 1960). The market is, however, large enough to attract competitive suppliers.

In 1959, 113,109 tons worth £NZ1,209,961 (Can.$3,327,000) were imported. Potassic fertilizers made up more than half this amount, both by price and volume. In the first eight months of 1960, imports of phosphatic fertilizers were much greater than last year, but potassic types had slipped to only a little more than half. Nitrogenous fertilizers accounted for about 10 per cent of the total weight and about 18 per cent of the value in both years.

—W. J. COLLETT,
Assistant Commercial Secretary, Wellington.

Netherlands Furniture Industry

This brief review of the types of furniture made in postwar Holland may suggest sales opportunities to Canadians who wish to provide the raw materials that the industry needs.

J. C. BRITTON, *Commercial Counsellor, The Hague.*

THE Netherlands furniture industry owes its rise mainly to recent developments in woodworking machinery. It was actually started some fifty years ago and has grown steadily, particularly during the postwar years. There are currently 375 factories employing ten or more workers engaged in the manufacture of wooden furniture in Holland. In addition, 72 factories produce steel furniture. Practically all these plants have modern equipment.

Domestic production of wood suitable for furniture-making is negligible and the raw materials must be imported. Coniferous wood comes from Scandinavia, Russia, Austria and Czechoslovakia, plus smaller quantities from Canada. Oak and beech are supplied chiefly by Yugoslavia, France, Czechoslovakia, Germany and Japan. Tropical woods are imported from Central and South America, Asia and Central Africa.

Production Program

The Netherlands furniture production program is extensive and includes practically all types. Prices are competitive with those of products from other countries, even where the domestic raw material position is better. Since the end of 1945 the trend to modern furniture has become stronger, with styles conforming to the requirements of the present-day home, with its small rooms and low ceilings. Consequently, although some heavy furniture is made here, production is largely confined to light furniture which takes up little space.

Wooden Furniture

Generally speaking, the Dutch prefer wooden furniture in their homes. During the last few years, however, steel has been used to an increasing extent. Wooden easy chairs and sofas, for example, are sometimes provided with steel feet.

Sectional furniture has become popular in Holland, obviating the purchase of a complete set of furniture at one time. A number of sections can be built into a com-

NETHERLANDS IMPORTS AND EXPORTS OF FURNITURE

	Imports from		Exports to	
	Metric tons	Value $	Metric tons	Value $
Furniture and parts thereof, of bent wood				
Total	1,017	611,000	258	234,000
Belgium/Luxembourg			174	150,000
West Germany	407	280,500	27	27,500
East Germany	147	54,500		
Czechoslovakia	180	81,000		
Italy	49	32,500		
Yugoslavia	78	33,000		
Poland	73	35,000		
United States			9	8,500
Canada			11	6,500
Wooden Furniture and parts thereof, plain or profiled				
Total	4,705	3,109,000	4,232	3,350,500
Belgium/Luxembourg	639	429,500	1,783	1,456,500
United Kingdom			288	130,250
West Germany	2,675	1,818,250	1,656	1,195,750
East Germany	447	150,250		
Sweden	180	166,500		
Denmark	154	232,000		
Switzerland			38	52,000
Italy			59	75,000
Yugoslavia	387	131,250		
Poland	127	33,500		
United States			59	70,000
Canada			22	28,000
Netherlands Antilles			177	174,000
Wooden Furniture and parts thereof, sculptured				
Total	1,482	1,716,500	1,609	2,275,250
Belgium/Luxembourg	141	217,500	1,134	1,596,000
West Germany	984	1,016,000	225	315,000
East Germany	109	57,500		
Norway	47	120,500		
Sweden	71	118,000	35	47,500
Denmark	20	39,000		
Italy	19	42,000		
United States			20	27,000

posite set with cupboards, showcases, shelves for books and a radio, drawers and a desk-top.

The use of sectional furniture is not confined to living-rooms. Netherlands manufacturers also make sectional outfits for bedrooms, in keeping with modern needs. The elements are attractively styled and the wide range available enables consumers to build up units to their own tastes. A popular and practical item, particularly for small rooms and one-room flats, is the fold-away bed. This piece of furniture is so constructed that the bed and the spring mattress can be tipped up against the wall and concealed behind a curtain during the day.

Steel Furniture

Netherlands manufacturers also produce steel tables, upright chairs, armchairs and easy chairs, with the seats and backs generally padded with foam rubber or foam plastic. They also make writing desks suitable for use in living-rooms or studies; the construction and finish of these are of a high standard. For bedrooms, there are sets of steel furniture consisting of beds with steel-spring mattresses and a headboard with cupboards attached. In these bedroom suites, steel is frequently combined with wood. Artistically designed wrought-iron furniture, plus steel office and hospital furniture of all types, is also turned out.

Cane and Wicker Furniture

Cane and wicker furniture enjoys considerable popularity in Holland for use in modern homes, because it is light and easy to handle. This branch of the furniture industry is centered mainly in the small town of Noordwolde in the province of Friesland. It comprises ten sizable cane-plaiting plants employing about 400 workers, plus some small plants and a number of home workers.

In addition to household and office furniture, Netherlands manufacturers produce furniture for special purposes, including seats for theatres and cinemas, tables and chairs for cafés and restaurants, hotels and ships.

Imports and Exports

In 1959 the Netherlands turnover of wooden furniture totalled more than 200 million guilders (about Can.$50 million), and of steel furniture over 100 million guilders (about Can.$25 million.) Before 1940, practically no furniture was exported from the Netherlands. Since the war, shipments abroad have risen steadily and this growth is expected to continue. Belgium is the principal customer; large quantities also go to West Germany.

The accompanying tables give details on Netherlands imports and exports of various types of furniture in 1959.

Many types of Netherlands furniture have aroused interest abroad but exporters often have to contend with high tariffs. They have nevertheless succeeded in overcoming these barriers because they have been able to keep their prices low by adopting efficient production methods. •

NETHERLANDS IMPORTS AND EXPORTS OF FURNITURE

	Imports from		Exports to	
	Metric tons	Value	Metric tons	Value
		$		$
Canada			29	38,000
Netherlands Antilles			78	115,000
Kuwait			16	29,500
Tubular Furniture				
Total	557	591,500	2,368	1,937,750
Belgium/Luxembourg	308	260,000	1,153	1,075,250
France			41	25,500
West Germany	171	218,250	402	285,500
Switzerland			369	196,000
United States	21	25,500		
Canada	3	2,750	3	3,000
Netherlands Antilles			75	75,500
Surinam			66	37,000
Netherland Guinea			49	39,250
Other Steel Furniture				
Total	545	609,500	2,971	1,992,250
Belgium/Luxembourg	142	146,000	1,821	1,127,000
United Kingdom	58	65,000		
West Germany	237	233,000	265	215,000
Switzerland			332	195,500
Sweden	31	41,500		
Denmark	20	22,500		
Italy	21	41,000		
Netherlands Antilles			195	172,750
Saudi Arabia			50	36,000
Kuwait			65	41,250
Indonesia			61	60,250
Netherlands Guinea			38	25,000
Wicker and Bamboo Furniture				
Total	42	28,000	119	170,500
Belgium/Luxembourg	10	5,500	41	50,500
France			21	26,000
West Germany			18	25,000
Yugoslavia	21	13,250		
Canada			3	5,750
Netherlands Antilles			5	8,000
Surinam			8	18,500

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.003764.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 30/60	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01208	82.78	(1)
Austria	Schilling		.03831	26.10	
Australia	Pound		2.2343	.4476	
Bahamas	Pound		2.7929	.3580	
Belgium and Luxembourg	Franc		.02004	49.90	
Bermuda	Pound		2.7929	.3580	
Bolivia	Boliviano	Free	.00008720	11,467.89	
British Guiana	Dollar		.5819	1.72	
British Honduras	Dollar		.6982	1.43	
Brazil	Cruzeiro	General Category*	.004352	229.78	*Dec. 6 (2)
		Special Category	.001552	644.34	
		Official selling	.05266	18.99	(3)
Burma	Kyat		.2092	4.78	
Ceylon	Rupee		.2095	4.77	
Chile	Escudo	Free	.9470	1.05597	(4)
Colombia	Peso	Certificate	.1487	6.72	
Congo, Republic of	Franc		.02004	49.90	
Costa Rica	Colon	Official	.1774	5.64	
		Controlled free	.1499	6.67	
Cuba	Peso		.9963	1.003714	tax 2%
Czechoslovakia	Koruna		.1384	7.22	
Denmark	Krone		.1445	6.92	
Dominican Republic	Peso		.9963	1.003714	
Ecuador	Sucre	Official	.06642	15.05	
		Free	.05826	17.16	
Egyptian Region, United Arab Rep.	Pound	Official	2.8608	.3495	
		Export account selling	2.4625	.4061	
El Salvador	Colon		.3985	2.51	
Fiji	Pound		2.5161	.3974	
Finland	Markka		.003113	321.23	
France, Monaco, etc.	New Franc		.2032	4.92	(5)
Franco-African Community, etc.	Franc		.004064	246.06	(6)
French Pacific	Franc		.01118	89.44	(7)
Germany	D Mark		.2389	4.18	
Ghana	Pound		2.7929	.3580	
Greece	Drachma		.03321	30.11	
Guatemala	Quetzal		.9963	1.003714	
Haiti	Gourde		.1993	5.02	
Honduras	Lempira		.4981	2.01	
Hong Kong	Dollar	Free*	.1745	5.73	*Dec. 16
		Official	.1746	5.73	
Iceland	Krona	Official	.02622	38.14	(8)
India	Rupee		.2095	4.77	
Indonesia	Rupiah	Official	.02214	45.17	(8)
Iran	Rial		.01315	76.03	
Iraq	Dinar		2.7895	.3585	
Ireland	Pound		2.7929	.3580	
Israel	Pound		.5535	1.81	
Italy	Lira		.001605	623.05	
Japan	Yen		.002763	361.27	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 30/60	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3129	3.19	
Mexico	Peso		.07970	12.55	
Morocco	Dirham		.1974	5.06	
Netherlands	Florin		.2642	3.78	
Netherlands Antilles	Florin		.5324	1.88	
New Zealand	Pound		2.7929	.3580	
Nicaragua	Cordoba	Effective buying	.1509	6.63	
		Official selling	.1412	7.08	
Nigeria	Pound		2.7929	.3580	
Norway	Krone		.1395	7.17	
Pakistan	Rupee		.2095	4.77	
Panama	Balboa		.9963	1.00371	
Paraguay	Guarani	Official	.007875	126.98	
Peru	Sol		.03719	26.89	
Philippines	Peso	Free	.3321	3.01	
		Official	.4981	2.01	
Portugal & Colonies	Escudo		.03477	28.76	(9)
Singapore and Malaya	Straits Dollar		.3258	3.07	
Spain and Dependencies	Peseta		.01660	60.22	
Sweden	Krona		.1925	5.19	
Switzerland	Franc		.2315	4.32	
Syrian Region, United Arab Rep.	Pound	Free	.2785	3.59	
Thailand	Baht	Free	.04712	21.22	(8)
Tunisia	Dinar		2.2314	.4481	
Turkey	Lira		.1107	9.03	(8)
Union of South Africa	Pound		2.7929	.3580	
United Kingdom	Pound		2.7929	.3580	
United States	Dollar		.99625	1.003764	
Uruguay	Peso	Free	.09053	11.05	(10)
Venezuela	Bolivar		.2976	3.36	(11)
West Indies Fed.	Dollar		.5819	1.72	(12)
	Pound		2.7929	.3580	(13)
Yugoslavia	Dinar	Official	.003321	301.11	(8)
		Settlement rate	.001576	634.38	

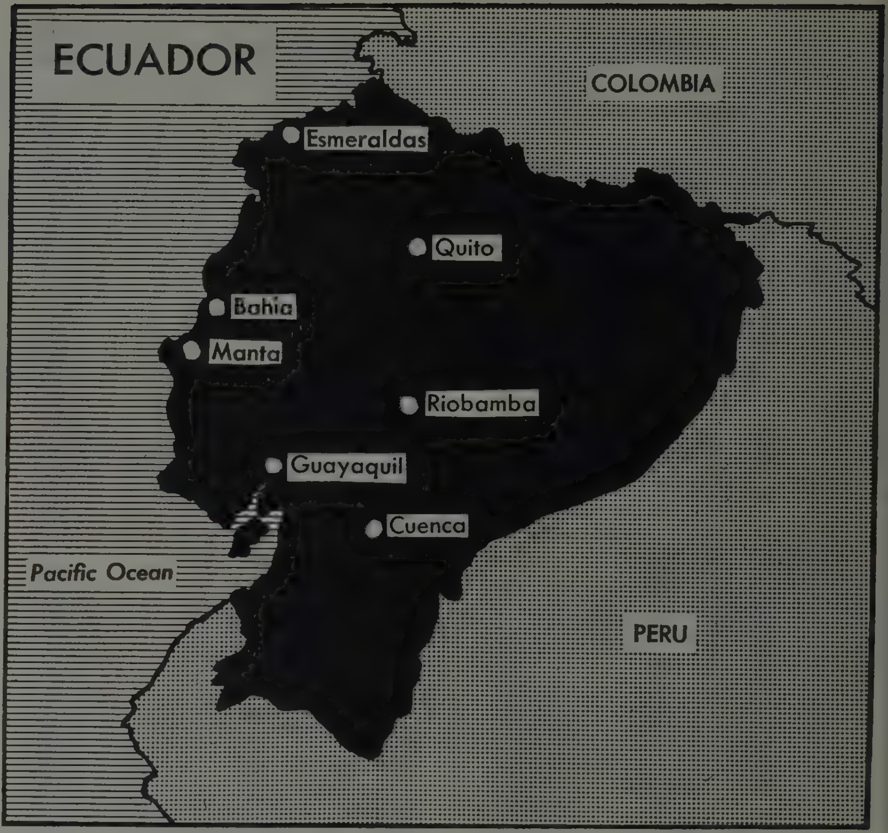
*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. France: territory includes Algeria, Guiana, Guadeloupe, Martinique. The new heavy france (worth 100 old francs) became effective on Jan. 1, 1960.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.

Markets in Brief

ECUADOR



Area: 175,851 square miles.

Population: 4,116,451.

Climate: tropical in coastal areas, cool in mountains.

Language: Spanish; sales literature in Spanish essential.

Currency: sucre. Official rate, applicable to imports of essential goods, one sucre equals Can.$0.06642. At free rate, applicable to other imports, one sucre equals Can.$0.05826.

Weights and measures: metric system.

Capital: Quito, altitude 9,261 feet.

Chief ports: Guayaquil, Bahia, Manta and Esmeraldas on the Pacific.

Marketing centres: Quito (population) 405,000; Guayaquil 520,000; Cuenca 90,000 and Riobamba 70,000.

Economy: agriculture is most important industry and economy dependent on the production of bananas, cacao, coffee, rice and cattle. Oil exploration becoming important.

Total Ecuadorian imports: 1959—U.S.$93.6 million (c.i.f.); 1958—U.S.$88.4 million; imports per capita $22.75.

Chief imports: 1959 (in per cent)—machinery and vehicles 40.0, chemical products 12.5, metal and metal manufactures 7.4, textiles 4.9, rubber manufactures 4.8, vegetable products and grains 4.2, wood and paper 2.0.

Chief suppliers: 1959 (in per cent)—United States 49.7, West Germany 14.0, United Kingdom 5.4, Belgium 4.0, Canada 3.6.

Chief imports from Canada: (in per cent)—wheat 60.4, newsprint 13.2, pneumatic tires 5.1, machinery 2.4.

Total Ecuadorian exports: 1959—U.S.94.92 million (f.o.b.); 1958—U.S.$94.96 million (f.o.b.)

Chief exports: 1959 (in per cent)—bananas 45.5, cocoa 22.8, coffee 18.3, rice 2.4, sugar 2.1, fish 1.9, woods 1.6.

Chief markets: 1959 (in per cent)—United States 57.8, West Germany 11.9, Belgium 5.1, Colombia 4.7, Italy 4.0, Venezuela 3.3, Chile 2.4, Sweden 1.9, Japan 1.8.

Value of exports to Canada: 1959—Can.$7.6 million. 1958—Can.$4.9 million.

Chief Canadian purchases: (in per cent)—bananas 63.9, coffee 3.1, cocoa 2.6, tropical woods 0.2.

Dollar exchange: official preferential dollar exchange for essential commodities (List I); freely available for non-essentials (List II); many commodities prohibited import (Prohibited List).

Prices: quote only in U.S. dollars.

Samples: free of duty if commercial value is less than U.S.$40.

Trade agreements: most-favoured-nation agreement with Canada; equal tariff treatment of most imports from all countries. Preferential tariff treatment for certain goods from Colombia.

Import controls, documentation, customs tariffs, marking and labelling: consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Canadian banks: Bank of London and Montreal.

Correspondence: airmail only; letters 10 cents per half-ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Secretary
Canadian Embassy
Apartado Aéreo 3562
Bogotá, Colombia
(by airmail only)

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Muriel McCann, an Ottawa girl, served for 2½ years in Tokyo before being posted to New Delhi, India, in 1959.

Jeannette Dugal be
a tour of duty in Pa
her first post, in 195
She is a native of
Edmundston, N.B., b
her Canadian home
is now Ottawa.

Norah Leonard arrived in Canberra, Australia, last summer; her previous post was Djakarta, Indonesia. She comes from Perth, Ontario.

New Delhi or Canberra

Or in one of the other foreign posts where Canadian women like these are working as secretaries and stenographers for the Department of Trade and Commerce. Classified as Foreign Service Stenographers, they are members of the Canadian Trade Commissioners' staffs. Their stay abroad varies from two to three-and-a-half years, with about one year at Head Office in Canada between postings.

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Approaching the Italian Market (page two

FOREIGN TRADE

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FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

JANUARY 28, 1961

Volume 115, Number 2

2 **Approaching the Italian Market . . .** *may prove simpler with the insight that this article provides.*

5 **The OECD Takes Shape . . .** *mid-December brought Canada's entry into this newborn organization, significant development in the North Atlantic Community.*

8 **Pulp and Paper: Tokyo Conference Studies Asian Needs . . .** *information gathered and conclusions reached at ECAFE-sponsored meeting will interest Canadian producers.*

10 **Argentina's Foreign Trade . . .** *what products is Argentina buying and selling? Are Canadian exporters holding their ground?*

13 **Timber Mission Surveys U.K. and Irish Markets . . .** *returns with new ideas about cultivating trade opportunities there.*

17 **European Common Market: First Steps towards the Common External Tariff . . .** *explanation of tariff changes effective January 1, 1961, and of formulae used in determining these changes.*

15 **Strike! . . .** *Canadian bowling invades Scotland.*

16 **Advertising Abroad: Iran . . .** *attracting Persian customers.*

19 **Cape Wines Win Export Markets**

21 **Indonesia Buys Paper and Newsprint**

23 **Commodity Notes**
34 **Foreign Exchange Rates**
25 **Foreign Tariffs and Trade Regulations**
28 **Foreign Trade Service Abroad**
36 **Markets in Brief: Bolivia**
27 **Trade Commissioners on Tour**

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Venice, on which tourists converge in millions every year, is also a busy port and trading centre.

Approaching the Italian Market

Potential Exporters to Italy Should ★ ★ ★

★ Bear in mind regional differences between north and south

★ Remember that Italy is a "nation of shopkeepers"

★ Understand the wholesale marketing structure

★ Appoint agents who can offer good coverage of the various areas

★ Give agents sales aids, especially in early stages of contract

★ Expect fierce competition and be prepared to grant credit terms

★ Visit the market personally.

J. G. IRELAND, *Assistant Commercial Secretary, Rome.*

ITALY, with a population of 5 million and with limited natural resources, is a poor country by Nort American standards. The annua income per capita is only abou $450—some 25 per cent of the U.S figure. But despite these rather unimpressive figures, during recen years economic development ha made great progress and it seem probable that rapid growth wi mark the next few years. Canadia firms which are selling or wish t sell in the Italian market may b interested in the following background information on the organization of Italian business and sales

Regional Differences

It is often said that Italy is tw or more countries within a country and this is particularly true in the economic context. It may readil be divided into three regions: northern Italy, central Italy (whic covers the area bounded by east west lines drawn just north of Florence and south of Rome), an southern Italy, which includes th islands of Sicily and Sardinia. Italia statistics showing national totals ar frequently misleading. For instance per capita income in northern Ital exceeds that of central Italy by nearly 30 per cent and is more than double that of southern Italy. The bulk of Italian industry is centered in the north; it produces about 60 per cent of the net national product, compared with 19 per cent in central Italy and 21 per cent in the predominantly agricultural south. Northern Italy contains 44 per cent of the total population but accounts for 55 per cent of total national consumption. Southern Italy, with 38 per cent of the population, accounts for only 23 per cent of total consumption.

Many businessmen do not realize that the purchasing power per family in northern Italy is comparable to that in France and West Germany. In Italy, indirect taxation provides the Government with about three-quarters of its total revenue. (It has been estimated that the cumulative effect of indirect taxation in Italy is to add almost 30 per cent to the price of most consumer goods.) As a result, poorer Italians are more adversely affected by taxation and purchasing power in the south is lower than one might judge on the basis of per capita income. It is also affected by the large numbers of unemployed and under-employed in the south.

On a per capita basis, commercial activity in northern Italy compares favourably with that of several other European countries, but there is a considerable contrast between these areas and southern Italy.

Wholesalers and Retailers

Italian commercial activity at practically all levels has traditionally been carried on by small independent companies with small capital and a relatively low turnover of goods. This is particularly true of retail trade and the Napoleonic phrase, "a nation of shopkeepers", applies to Italy as much as to England. There are large department stores and chain stores of the 5-and-10 variety in Italy but they are not as important as in North America or other European countries and are found for the most part in the larger cities. Self-service stores were practically unknown until a mere four to five years ago, but since then a few supermarkets have appeared in Rome and Milan. Available statistics show that, on a population basis, there are considerably more retail establishments in the north and that the number decreases from north to south. The percentage of retail stores which deal in non-foodstuffs is higher in northern Italy and also diminishes from north to south. Regionalism, traditional practices and a large unemployed population have had the effect of swelling the ranks of trade with persons in search of income to supplement a low family budget.

Many of these same factors have influenced the wholesale marketing structure, with the result that Italian wholesaling organizations are, for most part, smaller and cover a more limited area than their counterparts in many other industrialized nations. In northern Italy, of each 100 commercial enterprises, there are 8.66 wholesalers compared with 4.58 in central Italy and 3.33 in southern Italy. These figures illustrate the structural differences in wholesale distribution between these areas and indicate that it is in the more advanced northern regions that the existing wholesale organization is better able to distribute goods effectively. The last census in 1951 showed that the average Italian retail establishment employed only 2.0 persons (excluding street vendors) compared with 4.6 persons in the average wholesale firm. Fierce competition marks both wholesale and retail trade in most areas of the country. As a general rule, commercial organizations in southern Italy tend to be smaller and to cover smaller areas than their counterparts in the north.

Italian import trade is also very competitive. Italy's imports consist mainly of raw and semi-processed materials for industry and some agricultural commodities. With about 70 per cent of Italian industry concentrated in the north and the remainder roughly split between centre and south, it follows that a

Exporters who wish to sell in southern Italy do well to appoint an agent based in Naples, largest commercial centre in that area, rather than depend on coverage from northern or central Italy.

large part of Italian imports enter Italy and are used in the north.

Selecting an Agent

Canadian firms wishing to export to Italy will generally find it best to appoint an agent in one of the commercial and industrial centres of the north. The larger importers in these areas are usually able to give good coverage throughout northern Italy and not infrequently throughout central Italy and sometimes the entire country. However, in many cases, northern importers will not be in a position to give good coverage much south of Rome. If the exporter's products have a potential market in the south, it is frequently advisable to appoint a second agent in some southern centre, such as Naples or Bari. Although agents in Naples are often able to cover the islands of Sicily and Sardinia, regional patriotism in those islands suggests that it is better to appoint a separate agent in one of the important centres. Palermo and Catania are the most important Sicilian commercial centres; Cagliari is the chief one in Sardinia.

It is not always a simple matter for a foreign firm to locate a good representative in Italy. Qualified representatives in the north are often fully engaged with other commitments. In the south, there are relatively fewer representative firms and many of them have limited capital resources and are able to cover effectively rather limited territories. The Office of the Commercial Counsellor at the Canadian Embassy, Via G. B. De Rossi 27, Rome, will be pleased to assist Canadian firms with the appointment of an Italian agent.

Developing Exports to Italy

Italy is a price-conscious, competitive market and if an agent is to do an effective job, he will need considerable assistance, particularly in the early stages of the agency contract.

In many lines, Italian manufacturers provide considerable technical assistance on their products and to compete, foreign suppliers must follow suit. Sales literature must be in Italian and container sizes, measures, etc., must conform to metric standards. Credit terms vary greatly with the commodity but in certain fields the Canadian exporter may have to grant more liberal terms than he would in Canada. Leading Italian banks are the best source of credit information on Italian firms and the Commercial Counsellor's Office in Rome is always pleased to provide Canadian exporters with such information.

Personal contact is important in developing export trade with Italian companies and businessmen contemplating trips to Italy should bear several points in mind. They can do very little business during July and August and they should avoid these periods for visits to all parts of the country. In central and southern Italy, September is also a popular vacation month and it is wise to determine beforehand whether business contacts will be available then. Throughout the year, there are many more public holidays in Italy than in Canada and it is prudent for businessmen to inform themselves about these beforehand, particularly if they are operating on a tight schedule.

Hours of business vary considerably between type of office and section of the country. In the north, usual working hours are from 8.30 a.m. to 1.00 p.m. and 2.30 to 6.00 p.m.; from Rome south they are from 8.30 a.m. to 1.00 p.m. and 5.00 to 8.00 p.m. Government offices work a single shift from 8.00 a.m. to 2.00 p.m., but senior officials usually return between the hours of 5.00 to 8.00 p.m. and receive visitors by appointment. Most Italian offices consider Saturday morning a normal working period. During the summer months these business hours may vary considerably. Rail and air transportation within Italy is good and visitors will not experience any difficulty in travelling between the main Italian centres.

Italian import duties are high, particularly on fully manufactured goods, and import controls still influence Italian trading patterns. Italian Governments of recent years have reverted to a policy of trade liberalization from the prewar policy of bilateralism and self-sufficiency. Italy's trade with the OEEC countries is close to 100 per cent free and liberalization of trade with dollar countries has been accelerated during the past 18 months. However, there are still many commodities of potential interest to Canada that remain subject to import licensing. To check this point, businessmen may consult the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa.

With the present relatively low levels of consumption, and the increasing purchasing power and expanding foreign trade, the Italian economy's potential for growth is probably as great as that of any other European country. Undoubtedly, as the Common Market program proceeds toward full implementation, a large percentage of Italy's imports of finished goods will be purchased from the other five countries of the Community. Nevertheless, Canadian exporters of products that could be of interest to this expanding market would be well advised to make an early assessment of their opportunities.

Exchange Control, Venezuela

In an article on Venezuela's new foreign exchange control that appeared in *Foreign Trade* of January 14, 1961, it was stated that "To obtain foreign exchange for foreign loans, investments, and obligations that require payments to foreign countries for interest, dividends, profits, and amortization and which entered the country before November 8, 1960, registration of the respective capital or pending balances is required within 60 days from the above date." The Commercial Counsellor in Caracas now advises us that the date for registration has been extended for another 60 days, to March 8, 1961.

The OECD Takes Shape

Carrying out the new international responsibilities of the Atlantic Community—this is the objective of the Organization for European Co-operation and Development. The author discusses its evolution from OEEC, its proposed functions, structure and scope.

G. W. GREEN, *International Trade Relations Branch.*

ON December 14, 1960, economic relations among the countries of the Atlantic Community entered a new and significant phase. On that date, Ministers from Canada, the United States and European nations met at the Quai d'Orsay in Paris to sign the Convention and Supplementary Instruments establishing the Organization for Economic Co-operation and Development. The nations concerned are now to seek ratification by their respective parliaments, following which the Convention will come into force. The proposed membership of the new Organization is to include Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Provision is also made for the accession of any other government prepared to assume the responsibilities of membership.

The aims of the new Organization, as laid down in its Convention, are to promote policies designed:

(1) To contribute to the development of the world economy by achieving the highest sustainable economic growth and employment in member countries, consistent with the maintenance of financial stability.

(2) To contribute to sound economic expansion in member as well as non-member countries in the process of economic development.

(3) To contribute to the expansion of world trade on a multilateral non-discriminatory basis, in accordance with international obligations.

In the pursuit of these aims, the twenty countries concerned have agreed that they will individually and jointly (a) promote the efficient use of their economic resources; (b) promote the development of their scientific and technological resources, encourage research and promote vocational training; (c) pursue policies designed to achieve economic growth and financial stability, and to avoid developments which might endanger their own economies or those of other countries; (d) pursue their efforts to reduce or abolish obstacles to the exchange of goods and services and current payments, and to maintain and extend the liberalization of capital movements; and (e) contribute by appropriate means, including the flow of capital, to the economic development of both member and non-member countries in the process of economic development, having regard to their need for technical assistance and for the expansion of export markets.

To fulfil these undertakings properly, members are to keep one another informed and to furnish the Organization with the information necessary for the accomplishment of its tasks, to consult together on a continuing basis, to carry out studies and participate in agreed projects, to co-operate closely, and to take co-ordinated action where appropriate.

Reconstitution of OEEC

The new body has often been referred to as the successor to the present Organization for European Economic Co-operation. It is something more than this. It represents rather a reconstitution of the OEEC, whose existence as a legal entity has not been terminated thereby, but which has been endowed with a new constitution, designed to transform it into a more appropriate and more effective instrument of co-operation, suited to the growing responsibilities of the North Atlantic Community.

This principle of continuity, of course, is not intended to limit in any way the freedom of action of the future Organization. This has been ensured by the understanding that all decisions, recommendations and resolutions of the OEEC, collectively known as "Acts", shall automatically lapse unless reaffirmed by the Council of the OECD. It should also be evident that the maintenance of the legal personality of the OEEC, chosen for its practical advantages, in no way diminishes the significance of the changes of name, objectives and structure stemming from the substitution of the new Convention for the old.

From its first establishment in 1948 as a "crisis" organization, set up in response to the Marshall offer of economic aid, the OEEC has gradually developed into a permanent body for general economic consultation and co-operation among its members. The simple allocation of economic aid became a minor responsibility. As the problem of bare survival grew less important, the Organization turned to such measures as the reduction of barriers to the exchange of goods and services among its members. These included the European Payments Union (since replaced by the European Monetary Agreement) which was essentially a multilateral clearing arrangement to reduce exchange restrictions on intra-European payments, and a Code of Liberalization which required European countries to reduce quantitative barriers to trade among themselves on a gradual and reciprocal basis. Similar codes were also established to govern invisible transactions and the movement of capital.

In the promotion of co-operation in specific sectors such as agriculture, productivity, energy, inland and maritime transport, manpower, the training of scientific and technical personnel, fiscal problems, tourism and the development of certain categories of industry, the emphasis has also changed. The Maritime Transport Committee, for example, is no longer concerned with the mere physical availability of shipping, nor the Agriculture Committee with the avoidance of hunger. The European Productivity Agency has been placing increasing emphasis on technical assistance programs rather than on production methods, while the Manpower Committee has turned from problems of providing labour for reconstruction to the need for better vocational training.

New Problems Apparent

Yet, despite these changes in emphasis, the OEEC was designed to meet what were essentially postwar transition problems. It has been apparent for some time that the economic recovery of Europe and the move to convertibility of currencies have brought this period to an end. The economies of member countries have become increasingly interdependent. National economies have become more sensitive to changes in world trends and to measures taken in other countries. Actions taken by individual governments often have external repercussions, and indeed the efficacy of national action to a large extent depends upon the policies followed in other countries. There is consequently an increasing need for regular policy consultation and co-operation among the advanced nations if the Free World is to maintain a high sustainable rate of economic growth. At the same time, the industrialized nations are developing new responsibilities in the provision of technical assistance and other resources to the less developed countries of the world. Finally, the trade split in Europe between the Six and the Seven, and efforts to resolve these differences, have important implications not only for intra-European relations, but for the North Atlantic Community and established international trade relations generally.

These responsibilities, particularly those involving the less developed countries, did not appear to be matters with which the OEEC was equipped to deal. Despite its broad objectives and structural flexibility, it could move only within certain limits. In addition, both Canada and the United States held associate membership only, largely by virtue of the role that they had played in the provision of assistance and of their membership in NATO. A new organization, it was suggested, in which these two important countries would participate as full members might be a more appropriate instrument with which to meet the problems and challenges of the sixties.

First Steps

The Western summit meeting held in Paris towards the end of 1959 took the first step towards translating these suggestions into action. France, Germany, the United Kingdom and the United States here agreed that virtually all of the industrialized nations of the Free World were now in a position to devote their energies in increased measure to the solution of the problems outlined above. Following ministerial discussions in January 1960, a Group of Four on Economic Organization was established to determine the best way of implementing these objectives. It was the report of this group that recommended the replacement of the OEEC by an Organization for Economic Co-operation and Development, in which Canada and the United States, as well as the eighteen OEEC member countries, would be invited to become full members.

Further discussions over the following months resulted in the establishment of a Preparatory Committee. The rather thankless task of the latter was to produce a Convention in a form ready for signature by the end of the year, to define the structure of the reconstituted Organization, and to determine which activities of the OEEC should be carried forward into the new body. The report of this Committee was approved by Ministers immediately before the signing of the Convention.

Structure of OECD

As might be expected, the new Organization bears a strong structural resemblance to the OEEC. A Council composed of all members is to be the supreme body, meeting either in sessions of Ministers or of Permanent Representatives. It will have the power, by mutual agreement, to take binding decisions, to make recommendations to members, and to enter into agreements with members, non-member states and international organizations. To assist it in its work, the Council may also establish an Executive Committee and whatever other subsidiary bodies may be required. The staff of the Organization is to be headed by a Secretary-General, appointed for a term of five years and responsible only to the Council. Thorkil Kristensen, a former Danish Finance Minister, has been selected as the first to hold this post. Provision is also made for one or more Deputy or Assistant Secretaries-General.

The subsidiary bodies of the new Organization reflect its objectives and responsibilities. The OECD is designed primarily as an instrument to strengthen co-operation among the countries of the North Atlantic Community in the fields of general economic policy, trade and aid. In many of these activities, the emphasis is on consultation. The Organization is not designed to detract from or to duplicate the activities of other international organizations, but rather to strengthen them.

In the fields of economic policy and trade, probably the most important of these subsidiary bodies will be the Economic Policy Committee. It will be responsible for the review of the economic and financial situation and policies of member countries, with special emphasis on the international effects of such policies. An Economic and Development Review Committee will hold annual detailed examinations of the economic situation of member countries. Finally, a Trade Committee is to carry out confrontation of general trade policies and practices at regular intervals or by special request; to examine specific trade problems primarily of interest to members and their overseas territories, and to consider any outstanding short and long-term problems related to the present Six-Seven division in Europe. Within these terms of reference, it is hoped that any member country may obtain prompt consideration and discussion by the committee of trade measures by another member which may adversely affect its interests, with a view to removing or minimizing such adverse effects.

Development Aid

In the field of aid, a Development Assistance Committee is to carry out functions which, at least until recently, were entirely foreign to the work of the OEEC. With the objective of ensuring that the European nations carry a greater share of the burden of assisting the less developed countries, this committee is to take over the functions and characteristics of the present eleven-member Development Assistance Group which was established early in 1960 on an informal and interim basis. Like the latter, its purpose will be to improve the quality and quantity of bilateral aid, both by consultation on methods for making resources available, and by expanding and improving the flow of long-term funds and other assistance. This is not expected to limit or change the nature of Canada's existing aid programs, however, or to involve any direct Canadian obligation to provide additional assistance. For the moment, it appears that this committee will be primarily concerned with non-member countries. The comparable needs of members will be the responsibility of the proposed Technical Assistance Committee, another subsidiary body which had no structural counterpart within the OEEC, but some of whose recommended functions were in fact carried out by that body under the aegis of the European Productivity Agency.

Other Committees

In more specific fields, an Agriculture Committee, whose work will be closely integrated with that of other bodies within the Organization, is expected to meet at both the official and ministerial levels. At the urging of Iceland, a corresponding committee is to be established to deal with fisheries problems. Other bodies will deal with the financial aspects of the Organization's work, and with such important responsibilities as manpower, scientific research and personnel, and maritime transport. The European Nuclear Energy Agency is to be retained within the new Organization in its present form. Finally, a large number of committees dealing with various aspects of industry and energy have existed within the OEEC. It is expected that some decision will be made during the coming year on which of these will be continued in the new Organization, the form they will take, the nature of their work, and the length of their mandate. Among these committees are those dealing with coal, oil, electricity, gas, iron and steel, non-ferrous metals, chemical products, textiles, timber, pulp and paper, hides and skins and machinery. Similar decisions must be made with regard to many of the future activities of the European Productivity Agency.

Canada's Participation

Bearing in mind the valuable objectives of the new Organization and her responsibilities as a full member, Canada has made every effort to be as forthcoming as possible about participation in these future activities. It is possible for each member to be entirely selective in this respect, since no country can be committed to the provisions of any decision, resolution or recommendation for which it has not voted. This applies as well to those OEEC Acts which have been recommended to the Council for carryover into the OECD. In the latter case, however, because Canada and the United States had not participated as full members of the OEEC and consequently might be unaware of all the implications of these Acts, they have been granted the privilege of changing their position if either of their respective legislatures proves unable to accept an Act to which delegates had promised to subscribe during the Preparatory Committee's review.

It is hoped that ratification of the Convention by member governments will proceed as quickly as possible, so that it may come into force by the end of September of this year. Once this has been accomplished, the transformation will be complete from an organization designed to assist in the recovery of Europe to one which will carry out the new international responsibilities of the Atlantic Community. Together with representatives of the European Communities, and in close co-operation with other international bodies, member countries will move towards the consultation, co-operation and co-ordinated action necessary to meet the economic tasks which lie ahead. ●

Tokyo Conference Studies Asian Needs

Conference convened by the Economic Commission for Asia and the Far East studied growing need for paper and paper products in these countries and ways of meeting this need. Conclusions reached will interest Canadian pulp and paper producers and suppliers of machinery for the industry.

C. M. KERR, *Assistant Commercial Secretary, Tokyo.*

THE developing countries of Asia, with growing needs for paper products, do not have sufficient foreign exchange to fill these needs and will have to pool their economic and technical efforts to find ways and means of meeting their requirements through indigenous production.

In summary, these were the conclusions of the two-week conference on pulp and paper development in Asia and the Far East held in Tokyo last fall.

Discussions centred on how these objectives were to be achieved. Paper consumption in the region now stands at 6.5 million tons, about 20 per cent of which is newsprint. This is considered lower than it should be in many of the countries, having in mind their levels of economic and social development. By 1965—according to FAO studies—requirements will exceed 11 million and by 1975 should reach nearly 25 million tons.

Because most of the developing countries are not in a position to meet their needs through imports, it will be necessary to develop domestic production. If the industrially developed countries in the region (Australasia and Japan, where much of the expansion can be achieved through self-financing by existing industry) are excluded, the cost of necessary expansion is estimated at $75 million a year up to 1965 and $95 million a year in the ensuing decade. Approximately half of the above figures represent foreign exchange requirements, corresponding roughly to the value of one year's production from the total expansion in capacity required.

Foreign Capital

Statements by heads of several of the delegations made it clear that the limited availability of private domestic capital constitutes an obstacle to achieving the expansion in some of these countries. Most governments are taking steps to encourage private enterprise to enter this field. It was evident from some of the speeches, however, that given the importance of adequate paper supplies for industrial and cultural progress, public enterprise will assume the initiative if private capital proves reluctant. Conference delegates believed that substantial participation by foreign capital would be needed. International lending institutions and government-to-government loans could help some of these countries greatly, but the concensus was that private equity capital from overseas has a special role to play, provided that sufficient safeguards for foreign investment are furnished.

Pulp and Paper Equipment

As a result of preparatory work for the conference and panel discussions during its course, opinion was that the size of the expansion of the pulp and paper industry in the region both warrants and requires the early development of local manufacture of equipment used in making pulp and paper. Members of the Japanese delegation drew attention to the fact that Japan now makes most of the equipment that her pulp and paper industry requires. There was no suggestion that she might act as the equipment manufacturing centre for the region but the implication was clear enough.

Small Plants Favoured

Strong interest was shown in the development of small plants. The reasons for this interest were twofold. To begin with, the pulp and paper industry in most of the countries (again with the exception of Japan and Australasia) is either non-existent or in its infancy, and it is expected that at least a few years will elapse before demand reaches the point where large mills will be economic. Second, the high capital cost of large mills and the shortage of private capital, combined with a lack of skilled personnel, are not conducive to their construction. It was felt that small mills with simple equipment would therefore more readily meet the needs of most of the countries.

The principal advantages for small mills were listed as:

- Utilization of local fibrous raw materials and reduction in transportation charges

- Sale of final products locally, vith lower distribution costs
- Ready adjustment to local mar-et requirements
- Requirements for a smaller num-er of highly trained technical per-onnel
- Relatively small capital require-nents
- Use of locally-made machinery.

However, it was noted that cer-ain commodities—such as news-rint and certain kraft papers pro-luced from major raw material ources, such as wood, bamboo, and agasse—cannot be produced eco-omically on a small scale. Con-equently, it was recommended that ome of the small mills should be lesigned to allow for expansion to nedium size as demand increases. Other mills could remain small be-ause of the limited local supply of aw materials and could have as an bjective the manufacture of spe-ialty papers and certain types of oard.

echnical Training Needed

The shortage of qualified and rained engineers and technologists vas considered one of the major bstacles to the expansion of pulp nd paper production. This led aturally to a discussion on training acilities. The work done in this ield by UNESCO and the ILO was nentioned and the Conference re-ommended that the UN organiza-ions concerned collaborate in the reparation of a directory of avail-ble training facilities. Delegates rom the region and some of the lelegates from outside outlined raining facilities in their countries nd several indicated their willing-ness to assist by underwriting the ost of training for students from he under-developed countries.

The leader of the Indian delega-ion emphasized the need for the levelopment of training facilities in he region and questioned the wis-lom of sending students abroad to acquire technical skills useful only in countries which have modern research facilities and equipment. He also questioned the wisdom of sending technicians from the Western world to work in countries where their lack of knowledge of local customs, laws, language, and raw materials limits the contribution they can make.

Japan, scene of the conference discussed in this article, not only has a well developed pulp and paper industry but also makes most of the equipment that it requires.

One of the concrete achievements of the Conference in the discussion on technical training was a recommendation that regular technical meetings be held in the region for research workers and mill technicians. Such meetings, the feeling was, would lead to the useful exchange of information and avoid duplication of effort. A related recommendation was that time and money would be saved if each country concentrated on a different phase of research and results were exchanged.

Canada's Rôle

The significance of the conference for Canada might be summarized as follows:

- The living and educational standards of the Asian and Far Eastern countries are rising, though slowly. This should result in increased demands for paper products —only part of which can be met by indigenous production. Pulp, and perhaps limited quantities of newsprint, will have to be imported.
- The need to establish domestic manufacture of pulp and paper-making machinery in some of these countries merits the consideration of Canadian manufacturers, who report that they are finding it increasingly difficult to compete with large international manufacturers of equipment. Investment in foreign mills manufacturing equipment for small plants might provide opportunities for supplying parts from Canadian plants.
- Canadian engineering consulting firms will find increasing opportunities to sell their specialized services. Some Canadian firms were quite active at the conference and it seems likely that they are already aware of the prospects in the region.
- There will be increasing demands for Canadian assistance under the Colombo Plan, both for technical training in Canada and for the supply of capital equipment. Canadian private capital will probably be

sought for investment in the newsprint manufacturing industries of the Commonwealth countries in the region, Australasia excepted.

- There is no indication that any changes in customs and tariff policies in the region are contemplated. It is, however, possible that delegates who took part in the conference will keep in mind the plea made by one of the pulp and paper exporting countries that net importing countries should make every attempt to avoid tariff measures which would discourage the consumption of necessary paper products. It was, in fact, suggested that the governments of underdeveloped countries in the region subsidize domestic industry (instead of imposing tariffs to protect it) in order to maintain reasonable prices for paper products and that this subsidy be considered part of the cost of cultural or educational development.

The Conference concluded with a twofold hope: first, that delegations would return home determined to stimulate whatever action is needed to meet the needs of each country; and second, that when the next conference takes place it will be possible to discuss the many newspapers, pulp and paper plants, and byproduct factories established as a result of this Conference.

Given the broad development programs of the underdeveloped countries in the region, the limitations of capital, the need to undertake such basic steps as surveys of forest resources and increased technical training, and normal delays, it would be overly optimistic to expect the pulp and paper industry in this region to develop at the rate expected. About one thing, however, there seemed to be little doubt—that the market for pulp particularly, and to a lesser extent newsprint, is bound to grow rapidly within the next five years. This market will merit the attention of Canadian producers of pulp and paper looking for future customers. ●

ARGENTINA'S FOREIGN TRADE

- **Trading deficit January-August 1960 reached U.S.$18 million, but counterbalanced by foreign loans.**
- **Exports up $74 million over same period of '59; import up $193 million.**
- **Principal customers: Britain ($150 million), Italy ($82. million), Netherlands ($81 million), United States ($6 million).**
- **Principal suppliers: United States, West Germany, Unite Kingdom, Venezuela.**
- **Imports of machinery and vehicles rose by $218.4 million iron and steel by $16.9 million.**
- **Canada's sales to Argentina in first ten months doubl annual sales in 1959.**
- **Steel products, newsprint, aluminum ingot, leading shipments from Canada.**

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

ARGENTINA had an unfavourable foreign trade balance slightly over U.S.$18 million for the first eight months of 1960, compared with a favourable balance of over $101 million in the similar period of 1959. Because the bulk of the cereal exports had already been made by the end of August, the final balance of trade for 1960 is expected to be unfavourable and the figure much larger than the one given above. Total exports in this period increased from roughly $658 million in 1959 to close to $732 million in 1960. At the same time, imports rose from $557 million in 1959 to almost $750 million in 1960. However, any probable trading deficit will be more than counterbalanced by the foreign loans this country will obtain this year.

Main Markets

Nearly all of the commodity groups showed larger exports except meat, which dropped by 16 per cent, and forest products by 12 per cent. In millions of U.S. dollars, the principal buyers of Argentina products were: United Kingdom 150.6, Italy 82.4, Netherlands 81.0, United States 65.0, West Germany 61.5, Brazil 54.7, Japan 34.4, France 25.2, Belgium 24.4, Chile 23.0, Russia 13.9, and Peru 10.3. The values of the different export groups in the two periods, expressed in millions of U.S. dollars, were:

Exports of	Eight months 1959	Eight months 1960
Cereals and linseed	201.1	243.0
Meat	166.5	139.4
Wool	89.0	106.1
Other arable farm products	89.1	104.8
Hides and skins	39.1	42.6
Dairy produce	19.5	27.6
Miscellaneous manufactured products	12.0	15.9
Wheat flour and byproducts	13.1	13.4
Live animals	3.3	12.4
Animal byproducts	8.9	10.7
Forest products	12.1	10.6
Minerals and ores	2.0	2.9
Fish and game	1.9	2.1

The more than 35 per cent rise in imports over those of the similar period of 1959 was the result of a number of factors. The main ones were:

- The foreign loans and credits negotiated abroad
- The inflow of foreign capital for new industrial enterprises or for the expansion of present ones
- The exemption from or the reduction of the surcharges on imports of factory plant and equipment, both for wholly new enterprises and for those already established
- The gradual lightening of the burden of the exchange surcharges, particularly those levied on the prime materials required by Argentine industry
- The gradual recovery from the stunning effects of the original imposition on January 1, 1959, of these heavy exchange surcharges.

Imports and Suppliers

The chief import group—machinery and vehicles—showed a remarkable increase in import value of 187 per cent in the eight months—from $116.5 million in January-August 1959* to $334.9 million in the same period of 1960. The first three factors mentioned above had much to do with making this increase possible. The next largest group, iron and steel—composed chiefly of prime and secondary materials for local industry—was also favourably influenced by the lighter surcharges. Its value increased from $109.3 million in '59 to $126.2 million in '60. The comparative values, in millions of U.S. dollars, in the other import groups that expanded were: rubber and its manufactures 21.7 (12.0); textiles and manufactures 19.1 (15.7); stones, glass, ceramics, etc., 5.2 (4.8); tobacco and its manufactures 1.0 (0.1). The groups with smaller imports were: fuel and lubricating oils 104.9 (128.3), witnessing the sharp increase in local petroleum production; chemical and pharmaceutical products, paints and varnishes 32.6 (42.8)—chiefly heavy chemicals for industry and those for pharmaceutical use and practically no paints and varnishes; non-ferrous metals 31.7 (33.0); timber 24.1 (40.9); food products 19.6 (23.1); paper and cardboard 13.8 (17.1). The chief suppliers, with their comparative values in millions of U.S. dollars, were: United States 191.7 (104.7), of which a substantial part was captive business created by government and bank loans and foreign investment projects; Germany 95.0 (56.8), some of which sprang from bank credits and some from foreign investment, although most of it was the result of better competitive values; United Kingdom 68.3 (46.1); Venezuela 61.3 (65.5); Netherlands Antilles 13.6 (17.3); Kuwait 1.9 (7.4); (the decreases for the last three countries reflected the constantly decreasing need to import crude oil as the result of the rapid expansion of the local petroleum industry) Italy 54.0 (21.9); France 38.7 (18.8); Brazil 33.1 (44.4); Japan 19.3 (9.7).

Canadian-Argentine Trade

Canada is not listed among the suppliers in the preceding section because Canadian shipments in this eight-month period totalled less than one per cent of total imports. However, when the total 1960 import figures become available, present indications are that Canadian exports to this market will exceed this one per cent—something that has not happened for the past several years. This evidence of considerably larger Canadian sales to Argentina during the first nine months of this year is provided by Canadian export statistics, used in this section as Argentine statistics are not yet available.

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*The foreign trade figures quoted in this section were compiled by the *Review of the River Plate*.

Argentine imports into Canada in the January-July period of 1960 totalled Can.$1,507,995 in contrast to $3,432,563 in 1959. The chief items in this trade, with their dollar values for these two periods, were: canned corned beef 469,689 (1,279,419), other canned beef 20,190 (26,375); scoured wool 371,954 (767,743), grease wool 64,034 (25,365); quebracho extract 141,979 (460,207); cleaned rice 29,108 (162,199); undressed fur skins of sheep and lambs 89,109 (130,922), raw sheepskins 40,095 (78,304); fresh pears 93,177 (60,638); tungsten ores, 57,777 (nil); cheese 33,665 (36,570); honey 22,887 (25,488), and seeds for blending 16,633 (17,914). No other product reached the equivalent of one per cent of total exports in the above period of 1960.

The total figures covering Canadian sales to Argentina are available for the ten months January-October of 1960—$14,781,000, compared with $7,088,757 for twelve months of 1959. The individual products whose value this year exceeded $25,000 during the nine-month period, for which details are available, are shown in the accompanying table:

CANADIAN SALES TO ARGENTINA

Product	Full year 1959	9 months 1960
	(Canadian dollars)	
Steel products	125,871	3,476,377
Newsprint	1,792,589	3,059,653
Aluminum ingots	1,866,068	1,261,202
Business machines	312,080	558,315
Wood pulp, sulphite		379,175
Wood pulp, sulphate	354,203	199,579
Synthetic rubber		295,993
Pneumatic rubber tires	15,092	397,814
Pneumatic rubber tubes	8,875	46,659
Aircraft engine parts	98,103	245,079
Fine nickel	104,093	221,200
Asbestos fibre	549,851	180,224
Drugs and chemicals	287,640	103,710
Dynamos and parts		70,000
Machinery and parts	234,862	77,502
Surgical and hospital equipment	76,406	65,292
Contractors' outfits		60,443
Aircraft	51,248	52,758
Purebred cattle	30,000	46,600

One of the brighest spots in this year's sales is the prominence achieved by the group of steel products (mainly steel sheets) against the traditional competition of European rolling mills, aided by relatively low freight rates from European ports.

Newsprint sales also revived considerably; three-fourths of the above total was sold in the July-September period. This trade seems likely to resume its former importance.

Aluminum ingots are more or less holding their own against increasing competition from European mills. The advance in sales of business machines and parts is due to the switching of a greater percentage of export orders to a Canadian branch plant by its U.S. parent company. Wood pulp sales also increased substantially, but not in the volume that would have been possible had Canadian mills been able to provide the tonnage in sharp demand — especially unbleached and, to a lesser extent, semi-bleached sulphites. Synthetic rubber is a relatively new item in Canadian trade with this country. In spite of the fact that two different companies are negotiating to establish a synthetic rubber plant in Argentina, there is an excellent chance that our rubber trade will continue, in large part at least, because of the extensive list of specialized synthetics we can offer, which no local plant is likely to begin making in the near future.

The trade in tires and tubes constitutes a more or less temporary revival of what used to be a moderately important part of our sales to Argentina. It consists almost entirely of tire types and sizes which are not yet made by the well-established Argentine industry or not produced in sufficient volume to meet the heavy recent demand. The rise in nickel sales is due mainly to the expansion of the plating industry. The drop in asbestos fibre exports resulted chiefly from Russian competition, both in lower prices and lower freight rates. The hospital equipment consisted of cobalt bombs for the treatment of cancer. The cattle sold were chiefly the Holstein-Friesian breed to strengthen local dairy herds.

Restrictions Remain

The long-term outlook for Canadian sales to Argentina is much brighter than the short-term one. Only now is this country beginning to emerge from the economic morass in which it was left floundering after years of economic misdirection and the subsequent years of trying to fit the machine together again to permit it to function moderately efficiently. Excellent progress has been made but there is a long road yet to travel before the present restrictions on the free play of supply and demand can be brought back to normal.

Foremost among these restrictions are the exchange surcharges, which run as high as 200 per cent of the c. and f. invoice value of the foreign product. They were imposed for the dual purpose of conserving foreign exchange and of protecting local industry from foreign competition. While they remain in force, the sales opportunities for Canadian goods are commensurately reduced, although the goods of other countries (contiguous countries in South America excepted) are in no better position.

Normal Trading When?

The state of the Argentine economy when it was at its doleful worst made it necessary to seek substantial foreign loans and credits for its rehabilitation and almost automatically the terms of sale have become stretched from the standard letter of credit to 90 to 180 days sight for consumer goods and up to seven to eight years for capital goods.

Only over the long term, and after Argentina has been able to revive its economy to the point where foreign loans are no longer essential, are trading conditions likely to return to the point where Canadian exporters will be able to compete on normal terms. ●

Timber Mission Surveys U.K. and Irish Markets

In an interview with *Foreign Trade,* J. C. Dunn, Chief of the Department's Forest Products Division, who served the Mission as secretary, tells where it went, what it discovered by observation and talks with the trade, and some of the conclusions it reached.

GRUELLING but decidedly worthwhile—this sums up the reaction of the Canadian Timber Mission to the intensive two-week tour of seven cities in the United Kingdom and the Republic of Ireland. The members, representative of the industry in Canada, saw at first hand how wood and its products are being used in these countries and they talked face to face with the users. They were able to examine the competition's products and to assess their own opportunities and the effectiveness of Canadian marketing and promotion methods. They realized more clearly the problems they face in expanding their sales in these markets, and came home armed with the facts that will help to overcome them.

Twelve executives of leading timber export firms from the Atlantic Provinces, Quebec, Ontario and British Columbia were nominated by their trade associations to compose the Mission. H. F. Staniforth was spokesman for the group, R. H. Edgett, deputy spokesman, and J. C. Dunn, Chief of the Forest Products Division, represented the Department of Trade and Commerce and acted as secretary. The Mission left Canada on October 15 by air for London, the first stop on the itinerary, where they were joined by E. J. White, Commercial Secretary (Timber), and O. A. Lauritzen, G. H. Rochester and J. R. Wilson, U.K. representatives of three forest products associations, who accompanied them on the tour.

The Mission spent some rewarding hours down at the docks in Manchester, examining the cranes for unloading timber and the carriers for handling it. Manchester is one of the main centres of timber importing in the United Kingdom.

Members of the Mission

Timber Industry

H. F. STANIFORTH (spokesman)
President, Staniforth Lumber and Veneer Limited, Montreal

R. H. EDGETT, (deputy spokesman)
Assistant Sales Manager, Seaboard Lumber Sales Ltd., Vancouver

D. St. G. ANDERSON
Manager, Design and Technical Section, MacMillan, Bloedel & Powell River Limited (Lumber Division), Vancouver

R. G. ANNABLE
Director of Export and Domestic Sales and Manager of the Lumber Department of the East Asiatic Co. (B.C.) Ltd., and Tahsis Company Ltd., Vancouver

W. E. BROMLEY
President and Managing Director, Bromley Lumber Limited, Town of Mount Royal, Quebec.

T. H. H. FORTIER
President, T. H. H. Fortier; President and Manager, Hardwood Specialties Ltd., Annapolis Royal, Nova Scotia.

G. H. HAINAULT
Vice-President and General Manager, Canada Flooring Co., Limited, Town of Mount Royal, Quebec.

D. R. McGILLIVRAY
General Manager, Dominion Plywoods Limited, Southampton, Ontario

COLIN MACKAY
President, Mackay Lumber Company Ltd., Saint John, New Brunswick.

W. A. NICHOLSON
Vice President and General Manager, A. S. Nicholson & Son, Limited, Burlington, Ontario

D. R. ROGERS
Manager, Pembroke Division, Consolidated Paper Corporation Limited, Pembroke, Ontario

T. M. STEPHENSON
Manager, Lumber Sales Department, Fraser Companies Limited (Lumber Division), Edmundston, New Brunswick

United Kingdom Representatives

O. A. LAURITZEN
Timber Development Director and United Kingdom representative of British Columbia Lumber Manufacturers' Association

G. H. ROCHESTER
Responsible for work of the Canadian Hardwood Veneer and Plywood Bureau, and Hardwood Bureau and Hardwood Flooring Section, Canadian Lumbermen's Association

J. R. WILSON
United Kingdom Manager, Plywood Manufacturers' Association of British Columbia

Department of Trade and Commerce

J. C. DUNN (secretary)
Chief, Forest Products Division

From London the Canadians went on to Hull, Manchester and Liverpool, and then to Glasgow where they were joined by E. J. Ward, Assistant Trade Commissioner (Timber Specialist). After returning to London for four days, they wound up the tour in Belfast and Dublin. W. R. Van, Trade Commissioner in Belfast and Commercial Secretary in Dublin, made the arrangements in Northern Ireland and the Republic.

The port cities of London, Hull, Liverpool, Glasgow, Belfast and Dublin were obvious choices for the Mission. Not only are they importing centres for the timber trade, but they also provided an opportunity for the Canadians to talk to port authorities and to see how timber is handled—something, by the way, that they felt would have been difficult to arrange for individual visitors. The itinerary also took into account another point, the importance of reaching different areas because (this became more apparent as the trip proceeded) the United Kingdom cannot be thought of as a single market for wood products. It is really made up of several markets with different tastes: the species of wood popular in London will not necessarily sell well in Manchester. An added attraction in Manchester was the Building Trades Exhibition where the Mission saw, many of them for the first time, the type of exhibit which the Canadian Government sponsors at building trades exhibitions in the United Kingdom.

What They Did

The Timber Mission's days were long. During the mornings and afternoons they concentrated on the end-users of lumber. They met manufacturers of prefabricated houses, greenhouses and summerhouses (a popular feature of U.K. gardens), and they visited the building sites of house and apartment projects to examine construction techniques and the amount of lumber used. Every day they lunched with members of the specifier groups, architects, and officials of the county and municipal councils that are major builders of housing projects. Every evening they dined with buyers and importers of lumber and their own agents. A great deal of ground was covered during these informal talks and the mission members were specially pleased to have this contact with the timber trade.

Promotion Efforts Assessed

The Department of Trade and Commerce has been advertising and promoting Canadian timber, plywood and other wood products in the United Kingdom for many years. Advertisements describing the characteristics and uses of Canadian timber are appearing in British trade magazines. Exhibits are sent to the major building trades exhibitions: the Canada Trend House, featuring timber frame construction, was a popular attraction at last year's Ideal Home Exhibition. Canadian timber specialists in London have undertaken lecture tours.

The members of the Mission believe these efforts are meeting with success. They found that U.K. architects, engineers and specifier groups were keenly interested in getting more technical information on the properties of Canadian timber. They considered the long-range promotion program for timber frame construction and for the use of more timber in home-building a good one, and particularly successful in the factory component field.

Canadian Wood Exports to the United Kingdom and Ireland Eleven Months 1960

	United Kingdom	Ireland
Hardwood lumber	$ 1,089,132	$ 63,989
Softwood lumber	46,881,117	239,058
Hardwood flooring	1,081,569	19,735
Red cedar shingles	353,589	
Softwood plywood	9,990,335	9,587
Hardwood plywood	81,639	
Hardwood veneers	33,215	974
Softwood veneers	350	
Spoolwood	444,977	
Manufactures of wood	1,829,718	1,649
Railroad ties, Douglas fir	716,931	
Hardwood billets, blocks, etc.	30,829	2,017

Summing up

Back in Canada, the Mission assessed their effort. The members agreed that:

—the timing was good: in early October buying for arrival during the current year is about completed, and buying for the next year is just beginning. They could see what had arrived from the Baltic and judge how comparable Canadian products would fit into the picture.

—the size of the Mission was right. With fewer members it would not have been representative of the Canadian industry; more would have made the group unwieldy.

—they were able to meet all their customers in a very short time, and to meet specifier groups without upsetting normal trade channels.

—the visits to building sites, fabricators and consuming industries had suggested new outlets for their products.

—follow-up is called for on eastern Canadian specialties, such as hardwood lumber, hardwood flooring, hardwood plywood, and white pine.

—obstacles in the way of promoting more timber frame construction in the U.K. are the difficulty of obtaining mortgage funds for this type of building, and the higher fire insurance rates charged by British companies.

—buyers in the United Kingdom and Ireland like Canadian wood and they like to deal with Canadians, but the key to successful selling in these markets is still price, service, and continuity of delivery. The latter presents a problem for the industry in certain areas of eastern Canada, especially in winter when it is necessary to ship from Atlantic ports and inland freight is involved. ●

STRIKE!

THE recent gala opening of the Olympia Bowl and Ballroom, a new £250,000 community centre in East Kilbride, Scotland, marked the introduction to the Scottish public of the Canadian game of five-pin bowling and secured a great deal of favourable publicity for Canada. Erected and operated by Thomson Recreational Enterprises Limited, under the chairmanship of Roy Thomson, a Canadian who has established himself in the United Kingdom as a newspaper publisher and television station owner, the centre is the first of its kind to be opened in the United Kingdom exclusively for bowling and dancing.

Decision to erect a five-pin bowling alley in the new town of East Kilbride was born of a desire to establish in this experimentally-planned community a project distinctly Canadian. Simple yet modern in design and furnishing, the whole structure was built in 12 weeks.

"Strike", a half-hour program on Scottish Television, was telecast live from Olympia on the opening night and featured an exhibition of flawless bowling by two of Canada's top bowlers, both of whom will spend about two months at the centre training local people as instructors.

The spotlight was focussed on Canadian aspects of the venture and the Canadian materials used in construction of the centre and its facilities. The 16 bowling lanes were constructed from 90,000 linear feet of Canadian maple and white pine, and their automatic pin-setting equipment and other accessories, such as balls, pins and gutters, made in Canada and installed by a Toronto firm of bowling suppliers. Manager and players alike were greatly impressed by the uniformity and beauty of the maple bowling lanes and the efficient performance of the pin-setters. These are controlled by the bowler himself, merely by pushing a button. Canadian-made bowling shoes are available for rent or sale to those using the alleys. The ballroom features a beautiful floor of Canadian hard maple.

The proven success of this venture may trigger construction of similar alleys in other parts of the United Kingdom.

—E. J. WARD, *Assistant Trade Commissioner (Timber), Glasgow.*

Advertising Abroad

In Iran, the use of radio, television and cinema helps overcome the illiteracy barrier facing would-be advertisers. Radio programs alone reach an estimated five million people.

A. B. BRODIE, *Commercial Counsellor, Tehran.*

IRAN has become more conscious of advertising during the past five years than at any other time in her history. To reach a population of some 20 million people (the majority of whom are Moslem and speak Farsi), more than six million dollars a year is currently being spent by a handful of representative agents employing a few European designers. The choice of advertising media in Iran is limited and varies according to the degree of literacy of the people in the different parts of this huge country (equivalent in area to Ontario and the Atlantic Provinces).

Much of the recent interest in advertising in Iran has been sparked by the development of its huge oil and other natural resources, by improvements in communications, and by important projects—varying from hydro stations to cement plants and silos. Many of the more important European and North American factories represented in Iran are making advertising an essential part of their operations. It would be wishful thinking, however, for Canadian manufacturers and advertising firms to compare the attractive and colourful advertising in Western Europe with the type one finds in Iran. Window displays in the few department stores, for example, are drab and unimaginative and stimulate little interest among the people. The Iranian people are none the less becoming more conscious of modern life and the standard of living has improved remarkably over the past few years.

All forms of advertising media are used in Iran, including newspapers, magazines, posters, direct mail, commercial radio and television programs and cinemas. An analysis of the more important media may provide useful information for Canadian firms.

Magazines and Newspapers

The national newspapers and magazines reach mainly the higher and middle income groups. Male readers predominate, although there are some magazines designed for women. Of the 40 magazines and newspapers published in Iran, those circulated in Tehran (the capital of Iran with a population close to two million) are most suited to commercial advertising. Three daily Tehran Farsi newspapers and five weekly magazines, with circulations of 35,000 to 55,000 copies each, can be considered suitable for foreign advertising material. There are also two responsible newspapers in English with a total circulation of 14,000 copies. The cost of one insertion in a Farsi newspaper, per single column-inch, varies from $2.00 to $14.00, depending on position and colour.

Overseas advertisers would be well advised to supply good art proofs and artwork, but not engravings. Apart from delays and heavy customs duties on engravings entering the country, the cost of making engravings is relatively low in Iran. There are no facilities for casting from mats.

Television and Radio

There are two Iranian television stations, one in Tehran and the other in Abadan on the Persian Gulf. They have a limited range. Most commercial advertising is live, although Farsi can be dubbed into imported material without difficulty. The cost of advertising varies from about $35 for one minute before 7 p.m. to $47 for one minute thereafter. Time for half-hour programs limited to three commercials costs about $160. Audiences have in a relatively short time grown to over 200,000 persons.

The three Iranian radio stations are controlled by the Government. Spot announcements cost approximately $80 per minute. It is estimated that there are over five million listeners spread throughout the country.

Cinema

Both publicity films and slides are used in Iran. Films with Farsi subtitles are very effective. The cost of showing films in first class cinemas is approximately $160 for one-minute shows—exhibited twice daily—over a period of one month. Slides can be manufactured locally at $16 and each additional copy at $3.

The cinema is an advertising medium with a wide assortment of spectators and, like radio, assists in overcoming the illiteracy handicap. It can be used successfully in promoting a wide range of products.

Facilities for first class printing are limited but improving. Generally speaking, the paper used in the country is of poor quality and expensive. Some of the printing houses are equipped with both offset and letterpress but there is a dearth of latin type faces. As already mentioned, engraving standards have improved and cuts can now be made very reasonably. One-colour line engravings cost about three cents per square centimetre.

Much remains to be done in the field of advertising in Iran. Until the standards of living and literacy improve, advertising will present a number of problems, and Canadian firms who wish to spend their advertising allocations for Iran wisely should ask the Canadian Commercial Counsellor in Tehran to recommend responsible Iranian companies. ●

European Common Market

First Steps towards the CET

On January 1, the first adjustment of the national tariffs of Common Market countries to the common external tariff came into effect. Most of the tariffs applicable to imports of industrial products from third countries have been altered, in most cases by increases in Benelux and Germany and by decreases in France and Italy. At the same time, the tariffs which member countries apply on one another's goods were again reduced. These changes, reviewed in this article, increase the extent of discrimination between foreign products and those produced within the Community. This, of course, is a natural consequence of a customs union.

P. T. EASTHAM, *Assistant Commercial Secretary, Brussels.*

THE year 1960 witnessed much progress by the institutions and the member states of the European Economic Community (EEC) towards the establishment of the Common Market. By year's end, agreement among the Six on the rates of the common external tariff (CET) had been reached, with only two exceptions—petroleum products and manufactured tobacco. All member states carried out the internal tariff reductions and quota enlargements called for by the Treaty of Rome.

Less progress was made in the difficult task of determining the common agricultural policy, although the revised proposals that the Commission submitted in June to the Council of Ministers were being closely studied and agreement was reached on some of the basic principles. Of all the developments during the year, perhaps the most important was the "acceleration decision" taken by the Council of Ministers on May 12. (For background on the EEC and details of the acceleration decision, see the article "European Trading Arrangements" in the July 2, 1960, issue of *Foreign Trade.*)

Alignment of National Tariffs

The acceleration decision provided among other things that for industrial goods the tariffs applied by the member states among themselves should be lowered by an extra 10 per cent for a total reduction of 30 per cent, and that the tariffs these states apply on imports from outside countries would undergo the first alignment towards the CET on December 31, 1960, one year ahead of the original schedule.

The Treaty provides that, for the first alignment, the four customs entities of the Community (Benelux, France, Italy and Germany) will adopt the CET on those items of their national tariffs which are within 15 per cent either way of the CET. For all other items, the difference between the national tariffs applied on January 1, 1957, and the CET would be reduced by 30 per cent. Thus national rates below those of the CET would be increased and those above reduced. However, in view of the provisional offer of the Community to reduce the CET on industrial goods by up to 20 per cent if sufficient reciprocity was forthcoming in the GATT conference, the acceleration decision also provided that the alignment was to be calculated on the basis of the CET reduced by 20 per cent, with the qualification that the new national rates could not thereby be brought below those of the CET. In Germany, which had unilaterally reduced tariffs on most industrial goods after the base date of January 1, 1957, the Council directed that only 50 per cent of this reduction was to be reabsorbed in calculating the alignment.

As a result of the Council's decision, national rates below the CET went up somewhat less, and those above came down somewhat more, than if the formula of the Treaty had been applied. If the Community does not consolidate the 20 per cent reduction in full or on all items in the course of the GATT negotiations, the rates resulting from the first alignment will not be affected, but the second and third alignments will be calculated on the basis of the CET as it then stands.

It is evident that the acceleration decision created several problems of interpretation. The Commission resolved these in consultation with the member states and laid down the following rules:

1. The duty of the CET applies if the national duty is equal to it or higher by not more than 15 per cent.

2. The national duty must be maintained if it is between the CET and the CET reduced by 20 per cent.

3. The duty of the CET reduced by 20 per cent applies if the national duty is equal to it or lower by not more than 15 per cent.

4. In all other cases, the national duty shall be changed by 30 per cent of the difference between it and the CET reduced by 20 per cent.

5. For the duties of the German tariff, which were subject to reduction after the base date and which are lower than the duties of the CET, the calculation is made in the general way and the figure resulting is reduced by one-half of the amount of the reduction.

Other technical problems, such as how to align from a specific or mixed to an ad valorem duty and vice versa, were also resolved through consultation to ensure uniform application in the member countries.

Exemptions for List G Items

The acceleration decision also provided that for products on List G, for which the rates of duty were fixed last March by negotiation between the member states rather than by the arithmetical averaging principle, member states could apply to the Commission to exempt "particularly sensitive" products from the 20 per cent reduction in calculating the alignment. Of the many requests submitted by France and Italy, the Commission decided to exempt the following products of interest to Canada: pulp for paper, ferro-alloys, aluminum and magnesium and their wastes, lead and zinc and their wastes. All member states are required to apply these exemptions. Since this decision was not made until after Benelux and Germany had published their new tariffs, those countries will apply the rates calculated in the general way for these items until they are officially changed to the higher rates.

Agriculture

Internal tariffs on non-liberalized agricultural products were reduced on December 31 by an extra 5 per cent, making a total reduction of 25 per cent, but there was no acceleration of tariff reduction for liberalized agricultural products. The national tariffs applicable to third countries for agricultural products (those listed in Annex II of the Treaty) were not subject to accelerated alignment and they will therefore continue at their present levels until December 31, 1961. Those products such as wheat, which will be subject to market organization, will be dealt with specially, depending on what emerges as the import regime of the common agricultural policy.

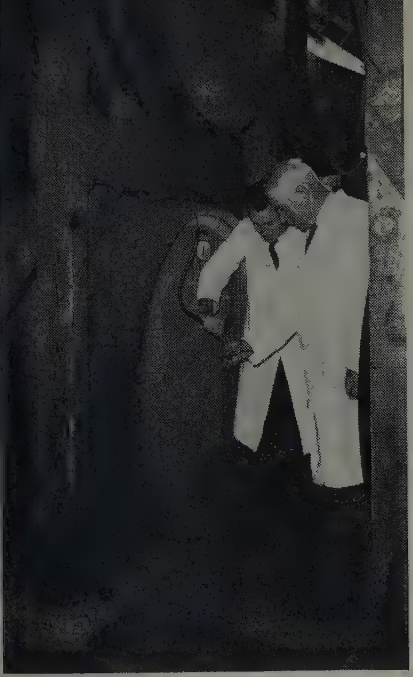
Tariff Quotas

The Treaty provides for the granting of tariff quotas, when certain conditions exist, for the products on Lists B, C, D, E and G, under which specified quantities can be imported by one or more of the member states at reduced or nil rates of duty. The tariff quotas for which provision was made in the List G negotiations last March came into effect on January 1, and others may be granted with effect from and after February 1.

Significance for Canadians

Exporters to the Common Market countries may obtain information on the new rates of duty for their products from the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa.

Many exporters of industrial products will find that their products face higher duties in some member countries, and these duties may be only partly offset by reductions in the others. They will continue to be able to compete on equal terms with other outside countries in Community markets, but will face a greater degree of discrimination where they compete with producers within the Community. This, of course, is the expected result of a customs union. It is to be hoped that the economic expansion of the EEC countries which has taken place so far under the stimulus of the Common Market arrangements will continue to result in increased imports from outside countries, as well as greater intra-Community trade. ●



Cape Wines Win Export Markets

M. R. M. DALE, *Trade Commissioner, Cape Town.*

South African wines and brandy are selling well in 30 overseas markets; Canada took 210,000 gallons worth £290,000 in 1959. Co-op organization has done much to boost Union sales.

THE vineyards which cover the mountain slopes and valleys of the Cape have supported fourteen generations of South African wine growers and have given employment to thousands. The vines are transplants of some of the noblest European types—Spain's Palomino, Bordeau's Carbernet, the Rhineland's Riesling, Cognac's St. Emilion, Portugal's Tinta Roriz, and Burgundy's Pinot—brought to South Africa in the 17th century. The first vine was planted at the foot of Table Mountain in 1655 as a horticultural experiment. From that small beginning, the vineyards have become a major agricultural industry in the southwestern districts of the Cape, with about 200 million vines under cultivation on 142,000 acres stretching from the coast to the mountains. The industry employs 4,399 men and produces some 65 million gallons of wine a year.

These figures are impressive but South Africa cannot really boast of quantity production. Compared with the vast output of producers in Algiers, France, California and Spain, the annual yield is small; the Union stands thirteenth on the list of the wine-producing countries of the world. However, volume is not the only factor to be considered. Just as important to the wine producer's success are the quality and character of the product. During the past 250 years Cape wines have commanded the respect of wine-drinkers throughout the world and have earned for South Africa a high rank as a quality producer. In the latter half of the 17th century a wine-grower who lived almost within walking distance of Cape Town produced a dessert wine that immediately found favour in court circles in Europe. This wine, named Constantia after the valley in which it was grown, grew in popularity throughout the 18th and 19th centuries. It found a place in the cellars of King Louis Phillipe of France, the King of Prussia, the King of Saxony, Napoleon and Bismarck; it was praised by Jane Austen, Alex-

Vineyards flourish in the lovely valleys of southwestern Cape Province and on its mountain slopes. Here the grapes are being gathered and packed in boxes before going to the cellars for pressing, first step in producing sherry.

ander Dumas, Baudelaire and Longfellow.

The present popularity of Cape sweet wines in markets as widely scattered and as different in tastes and customs as the United Kingdom, Canada, Sweden, West Africa, Germany, the Netherlands, the West Indies, New Zealand and Mauritius, indicates that South African wine-growers are keeping up the reputation earned by Constantia. But though they are understandably proud of their record in dessert wines, they have not hesitated to develop other lines. Today they also produce excellent natural dry wines (consumption of which has more than doubled in the last ten years), and brandies which are highly regarded either as a liqueur or as a long drink.

EXPORTS OF SOUTH AFRICAN WINE AND BRANDY

Year	Destination	Wine in bulk	Brandy in bulk	Value
		(gallons)		£
1938	United Kingdom	1,515,068	6,968	197,045
	Scandinavia	177,064	120	26,814
	Canada	45,109	47,541	27,268
	West Africa	17,435	82	3,220
	New Zealand	23,420		5,791
	Others	113,632	36,935	46,633
		1,891,728	91,646	306,771
1944	United Kingdom	244,916	4,155	46,507
	Scandinavia			
	Canada	91,404	80,371	81,411
	West Africa	284,350	81,330	240,243
	New Zealand	19,747	16,421	17,000
	Others	1,077,795	620,656	1,018,310
		1,781,212	802,933	1,403,471
1958	United Kingdom	1,293,591	11,521	579,573
	Scandinavia	315,066	82,715	180,988
	Canada	200,455	122,091	249,773
	West Africa	177,963	216	53,460
	New Zealand	62,373	4,086	34,218
	Germany	557,203	43	117,305
	Others	1,609,496	164,174	594,559
		4,214,147	384,826	1,809,876

SOUTH AFRICAN WINE PRODUCTION

According to Returns Rendered by Farmers to KWV

Year	Total vintage	Amount used for alcoholic products
	tons/leaguers*	tons/leaguers*
1918	96,750	
1928	159,623	141,780
1938	278,220	244,352
1948	465,256	404,670
1958	563,311	495,525

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*One leaguer (127 British imperial gallons) of wine is equivalent to one short ton (2,000 lb.) of grapes.

Sherry Major Achievement

The industry's most remarkable achievement in recent years is the development of an excellent sherry. Twenty years ago no one would have given a farthing for a bottle of South African sherry. Today approximately 600,000 gallons of South African sherry are shipped every year to the world's most discriminating sherry market, Britain, alone. Considering the centuries old history of sherry, the rapid rise to favour of the South African brand in only 20 years is something of a phenomenon. How did the industry do it? In fact, nature did it: twenty years ago research revealed that flor, the yeast cell essential to the production of true sherry, was present in Cape vineyards. For many years it was believed that flor existed only in the Andalusian vineyards of Spain. The marked climatic, topographic and geographic similarities between Jerez de la Frontera and Paarl, the headquarters of the Spanish and South African sherry industries, prompted the search for flor. Once they had discovered the essential ingredient, the Cape wine-growers went ahead to produce a distinctive South African sherry which has been tried and accepted on its own merits.

Co-op Organized

In 1918 South Africa's wine-growers pooled their resources and founded a co-operative society with far-reaching powers to promote interest in and develop exports of South African wines. The KWV, as this organization is popularly known, had no easy task. At that time South African wines had no export markets to speak of; the lucrative 19th century trade with Britain had collapsed and the KWV had to start from scratch. By avoiding the dangers of haphazard selling, by concentrating on quality and adopting a policy of planned marketing, it gradually gained the confidence of overseas buyers and re-established its wines in foreign countries. Today, it sells more than 1.5 million gallons a year in thirty overseas markets. It has built up

SOUTH AFRICAN EXPORTS TO CANADA

Year	Gallons	Value £
Wine		
1955	175,000	111,000
1956	150,000	92,000
1957	194,000	123,000
1958	200,500	127,000
1959	210,000	290,000
Brandy		
1955		84,700
1956		79,400
1957		140,100
1958		121,700
1959		135,000

eserves totalling more than £7 illion and has established five ineries in which 40 million gallons f its members' choicest sweet wines nd sherries are being matured and lended. About 90 per cent of the ape's wine exports come from the ellars of the KWV which, however, as no monopoly of exports and, in ommon with other South African ine exporters, has to conform to strict requirements on the quality and age of its wines.

The KWV also maintains a staff of highly trained wine experts, has assisted the State in the establishment of a viticultural research institute, sponsors young men who wish to study the wine industries overseas and through various price incentives encourages growers to produce the best wines.

Paarl wines were virtually unknown in Canada a few years ago, but through sound marketing policies and consistent quality the Cape producers have established their wines on the Canadian market. In less than two years Canadian imports of Cape table wines have more than doubled; in 1959 Canada bought 210,000 gallons valued at about £290,000. ●

Indonesia Buys Paper and Newsprint

Market curtailed by shortage of exchange and import controls, but steady sales in many lines possible, as this analysis reveals.

M. B. BLACKWOOD, *Commercial Secretary, Djakarta.*

NDONESIA'S imports of newsrint during 1960 are expected to each 18,000 to 20,000 metric tons. Iowever, because of foreign exhange difficulties and import conrols, this will not be enough to atisfy the demand from a populaion of about 90 million, of whom n estimated 75 per cent are literate. Compulsory education is not yet eneral but when it is, much larger uantities of writing papers and aper for textbooks will be needed.

The current demand for a number f types of paper is analyzed below.

• *Newsprint*—There are about 60 laily newspapers but none of them as more than four pages. If newsrint could be imported in adequate uantities, there is little doubt that he size of these papers would increase and that new ones would appear. Indonesia does not yet make any newsprint herself and imports whatever she uses. About 60 per cent is imported in reels and the remainder in sheets. In the past three years, imports of reels and sheets combined have risen from 11,867 metric tons in 1957 to 14,336 in 1958 and 16,056 in 1959. Finland has been the major supplier, followed by Norway; together these two held over 80 per cent of the market in 1959. The remainder came from the United States, West Germany, Sweden, Communist China, the Netherlands, and the U.S.S.R.; none was imported from Canada.

The reels usually imported are 88 cms. wide (45 per cent) and 90 cms. (45 per cent); the remaining 10 per cent is made up of reels of 60, 63 and 70 cms. Reels with a gross weight of 375 kilos are preferred. The sheet sizes most in demand are 61 x 92 cms., 55 x 75, and 65 x 100. A weight of 52 or 54 grams per square metre is normally required.

• *Writing and Printing Paper*—A second large group of imports consists of writing paper, printing paper and paperboard without wood fibre —that is, not containing groundwood pulp. Imports totalled 37,886 metric tons in 1957, 20,780 in 1958, and 19,021 in 1959. The sharp down-trend represents a cutback because of the shortage of foreign exchange. In 1959, Japan was the chief supplier, followed by Finland, Norway and Communist China. The most important items in this group are manifold, bond, bank, envelope, ledger, printing, and postcard papers. Almost all of them were imported in sheets.

Imports of writing paper and printing paper produced from chemical pulp and without groundwood content totalled 6,973 metric tons in 1959 compared with 4,941 in 1958 and 11,849 in 1957. This group includes certain printing, duplicating and stencil, illustration, postcard and manilla papers. The Scandinavian countries, Japan and West Germany were the major sources in 1959.

- *Wrapping Papers*—There is a sizable market in Indonesia for wrapping papers—such as kraft, greaseproof and glassine. Imports in 1959 reached 12,878 metric tons. Japan supplied about half and Norway and West Germany were in second and third place.

- *Surplus Newspapers*—Imports of surplus newspapers for packing totalled 3,274 metric tons in 1959, up slightly from 1958 but only about half the 1957 figure of 7,012 tons. In 1959 the United Kingdom supplied 1,918 metric tons and the United States 1,164.

- *Cigarette Paper*—Cigarette paper is imported in both bobbins and sheets. Imports on bobbins reach about 1,000 metric tons a year. In 1959 France supplied 353 metric tons, India 344 and the United States 183. Lower quality paper is used for handmade cigarettes and in 1959 Japan supplied 1,103 metric tons out of the 1,993 imported. Other sources in order of importance were France, Communist China, Austria, United States, Denmark and Italy.

- *Wood Pulp*—Wood pulp imports are handled by two government bodies located in Djakarta: BAPPIT, Djl. Nusantara 22, and P. T. USINDO, Speed Building, Djalan Gadja Mada. Paper mills formerly owned by Dutch interests now come under BAPPIT. Two of these have an annual output of between 3,000 and 4,000 metric tons; three others each produce less than 1,000 tons a year. Writing, printing and wrapping papers are the chief products. Imported wood pulp is used with local pulp made from rice straw and bagasse. In 1959, 1,283 metric tons of wood pulp were imported, all from Japan. In the past Canada has supplied some wood pulp to these mills—318 tons in 1955 and 432 tons in 1956.

Import Procedures

Imports of newsprint, other types of papers and wood pulp are subject to licensing, as are all imports into Indonesia. Each application is carefully examined from the standpoint of quality, price and delivery. Samples as well as detailed specifications must usually be submitted to the BDP (Import Licensing Bureau). If an import application is found satisfactory, the BDP issues a foreign exchange permit. The importer then pays a 100 per cent guarantee deposit in local currency plus any other charges into a bank authorized to deal in foreign exchange. This must be done within ten days after the granting of the foreign exchange permit by Djakarta importers and within 15 days by importers in other centres. If all regulations are met, the bank will open an irrevocable but unconfirmed letter of credit.

Because Indonesia uses the metric system, offers should be made on this basis and prices should be quoted in U.S. dollars. Quotations should be f.o.b. Canadian port, with freight from Canada to Indonesia stated separately. Insurance must be taken out in Indonesia and c.i.f. prices therefore are not desired.

Paper in sheets should be packed in stout bales and reels should be well wrapped in kraft paper to withstand rough handling. Waterproofing is also desirable. Full details on the type of packing should be included in any offer.

Import Duties and Channels

Effective August 25, 1960, new import duties ranging from 0 per cent to 100 per cent have been imposed. They are being calculated on the c.i.f. rupiah value, plus other
charges, at the basic rate of Rp.
to the U.S. dollar. Commodities t
may be imported are divided i
four categories and the rates of d
for these range from 0 to 100 p
cent, depending on the essential
of the goods. Though detailed
formation is not yet available,
appears that newsprint, which w
formerly in Group I of imports, w
be in the 0 per cent class; writi
paper, which was in Group II, w
probably be in the 25 per ce
group. For fancy qualities, the du
may be higher. The former syste
of export and import levies has be
abolished as have all other dut
previously applied, such as statistic
duty, goods fee and entry tax.

Four of the eight large sta
trading companies in Indonesia a
active in the paper field, though
is unlikely that any of them wou
be prepared to accept exclusi
agencies for some years. Intereste
Canadian exporters can obtain the
names and addresses by writing
the Forest Products Division of t
Department of Trade and Co
merce, Ottawa, or to the Canadi
Commercial Secretary in Djakarta.

Domestic Industry Appearing

Indonesia has plans for furth
development of the paper industr
Under a long-term loan from Ital
a new mill is nearing completio
It will produce writing papers fro
rice straw pulp and bagasse blende
with imported wood pulp. Annu
requirements of bleached and u
bleached sulphate pulp, bleache
and unbleached sulphite pulp, pl
a small quantity of groundwoo
pulp are expected to total abo
3,600 metric tons.

At least one other mill wi
probably be built with fun
from the Japanese War Reparation
Agreement, and Japan will suppl
both the equipment and technica
assistance. Thus, in the long ru
Indonesia will become less depend
ent on imports but for a numbe
of years at least it should remai
an attractive market for foreig
suppliers. ●

Commodity Notes

Asbestos

GREECE—Canadian asbestos is being shipped to Greece to meet part of the requirements of her first sbestos cement products plant, now completed on the sland of Euboea. Built with private funds imported nder provisions of the foreign capital investment and rotection law, the new plant is equipped with German machinery. Its planned annual output of 25,000 tons f pipe and 20,000 tons of sheet exceeds current local emand by almost 100 per cent, but it is hoped that xport markets can be developed in neighbouring ountries.

A large United States company is working on the evelopment of the asbestos deposits in northern Greece, said to be the largest in Europe. These deposits re not expected to go into production before a minimum demand is assured—Athens.

Cocoa Butter

BRAZIL—Exports of cocoa butter from Bahia, the argest distribution centre in Brazil, totalled 13,469 ons for the first six months of 1960. This compared avourably with exports of 17,944 tons in 1959, of which Canada took 4,433 tons. Other markets are he United Kingdom, the Netherlands, United States, Australia, Union of South Africa and Italy—Rio de aneiro.

Fertilizer

VENEZUELA—According to the Minister of Mines and Hydrocarbons, large deposits of natural fertilizer have been discovered at Lobatera, in the state of Táchira. The state-owned Petrochemical Institute will develop these deposits and will supply fertilizer to the Andes region under the agrarian reform program—Caracas.

Newsprint

INDIA—It is reported that a newsprint factory with a capacity of 60,000 tons a year and using bagasse as raw material will be built at Karad, 200 miles south of Bombay. It will cost Can.$20 million and will be built by Sahu Jain Ltd., who have secured the patent rights from the U.S. patent-holders.

Initially newsprint will be made from imported wood pulp but this will be replaced gradually by bagasse, of which ample supplies are available locally. During 1959, imports of newsprint into India totalled 79,000 tons valued at Can.$12 million—Bombay.

Nickel

BRAZIL—Nickel ore production in Brazil increased from 214 tons in 1955 to 330 tons in 1959, according to a survey made by the Labour Ministry—São Paulo.

Paper

ARGENTINA—A paper mill with a capacity of 15 metric tons a day has now been opened in the city of Mar del Plata by Messrs. Papelera Mar del Plata S.A.I.C. The machinery for this mill was produced entirely in Argentina with the exception of one monolucid cylinder imported from Germany. Tissue, crepe, wrapping and special types of paper will be turned out —Buenos Aires.

Paper Cellulose

BRAZIL—Brazil's paper production has increased by 82 per cent during the past ten years, according to statistics published by the Bank of Brazil. In 1959 output was estimated at 450,000 tons, compared with 416,471 tons in 1958 and 247,894 tons in 1950. Production of cellulose has increased by 60 per cent—from 68,000 tons in 1955 to 177,000 in 1959—Rio de Janeiro.

Pepper

INDIA—During the crop year ended October 31, 1960, India exported more than 19,417 tons of black pepper. This compared with only 12,208 tons in the previous year, and established an all-time record. Export earnings from these shipments are estimated at approximately $20 million. This substantial value resulted in part from the exceptionally high prices which ruled during part of the year. United States continued as the dominant buyer, taking more than 8,500 tons. The Communist countries as a bloc received over 6,100 tons. Shipments to Italy, Germany and Canada amounted to 1,278, 764 and 714 tons, respectively—Bombay.

Pigment

AUSTRALIA—Imperial Chemical Industries of Australia and New Zealand has begun construction of its new £A1.5 million pigment plant at Laverton. It is expected the plant will be producing by about the end of 1961, and the hope is that it will meet one half Australia's pigment requirements. A wide range of modern pigments, including the Monastral range, stemming from ICI Ltd. research in Britain, will be made. Demand for colouring materials comes from Australia's paint, printing ink, plastic, rubber, linoleum, papermaking and other industries—Melbourne.

Polypropylene

AUSTRIA—The new "Danubia-Petrochemie" company in Schwechat, near Vienna, will begin production in April 1961, it is reported. The newly established company's petrochemical plant will be the first in Austria, and will have an initial annual capacity of some 5,000 tons of polypropylene. The firm is financed by the "Oesterreichische Stickstoffwerke" (40 per cent), the Austrian Government (20 per cent) and the Montecatini Works in Milan, Italy (40 per cent)—Vienna.

Power Plant

DENMARK—The Titan factory, Copenhagen, has completed the construction of an electric power plant valued at about 13 million kroner, to be delivered to an aluminum factory in Brazil. Under the same order, the Elsinore shipyard has delivered a steel rolling mill to Brazil—Copenhagen.

Pulp Mill

SWEDEN—The semichemical experimental pulp mill built by AB Tannin at Västervik on the Swedish east coast some years ago has been rebuilt for the neutral sulphite process, using hardwood (mainly birch and aspen) as raw material. Operations at the reconstructed mill were scheduled to start early in December, with output close to 7,000 tons (dry basis) of wet semichemical pulp. Wargöns AB, Vargön, parent company of AB Tannin, will handle sales—Stockholm.

Pulp and Paper

INDIA—The Government has inaugurated a pilot pulp and paper plant at the Forest Research Institute at Dehra Dun, Uttar Pradesh. The plant, with a capacity of six tons of paper a day, is designed to test such materials as wattle, spent lemongrass, bagasse, jute sticks and other mixed wood species for the manufacture of writing, printing, wrapping, greaseproof, and machine-glazed and Braille papers, and simplex a duplex boards—New Delhi.

Rubber

BRAZIL—The Bank of Brazil has placed Cr.$10 mi lion at the disposal of the Ministry of Agriculture f studies and research into the development of rubb plantations in the states of Amazonas, Bahia and Sã Paulo—Rio de Janeiro.

Shoes

SPAIN—The shoemaking industry is of increasing im portance in Spain where annual production tota 27,310,000 pairs of leather shoes and 14,070,000 pai made from other materials. There are 1,588 factori engaged in the mass production of shoes and anothe 900 smaller plants produce hand-made shoes. Alicant is the leading shoe-producing province with 532 fa tories, followed by the Balearic Islands with 31 Zaragoza 182, and Barcelona 101—Madrid.

Steel

AUSTRALIA—Broken Hill Pty. Ltd., announced th week the opening of a new £A3.5 million basic ope hearth furnace at Port Kembla in New South Wale at the steel works of Australian Iron & Steel Pt Ltd., a wholly-owned subsidiary of B.H.P. The ne furnace, largest in the British Commonwealth, ha increased Port Kembla's capacity production of ste ingots to more than 2.6 million tons and Australia output to nearly 4 million a year—Melbourne.

Steel Plate and Strip

BRAZIL—Brazil's Ministry of Finance has announce that 134,000 tons of steel plate and strip were importe during 1959, an increase in volume of 91 per cent ove the 70,000 tons imported in 1958. Imports of steel an iron plate totalled 76,000 tons (double the amou imported in 1958) at a value of U.S.$12,962,00 Principal suppliers were the United States, West Ge many and Norway—Rio de Janeiro.

Sugar

AUSTRALIA—Output of Australia's 34 raw suga mills during the 1960 season is estimated at approxi mately 1.33 million tons, about 80,000 tons more tha for the previous season. International Sugar Agreeme restrictions on exports continue in force, but in 196 they were eased for Australia, permitting addition shipments of about 100,000 tons—Sydney.

Tobacco

BRAZIL—Tobacco occupies fifth place among Brazil principal exports of raw materials. Exports in 195 totalled 29,000 tons valued at $15.5 million. Mai producing centres are Bahia in the northeast, whic ccounts for 30 per cent of Brazil's total production, nd Rio Grande do Sul and Santa Catarina in the outh. The State of Bahia specializes in cigar tobacco nd exports 88 per cent of total production. Rio Grande o Sul in the south produces mostly cigarette tobacco nd exports approximately 20 to 25 per cent—Rio de aneiro.

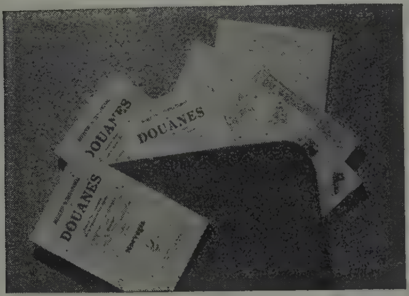
nbleached Pulp

WEDEN—Swedish export prices for unbleached sul- hite and sulphate pulp will be raised by £2 per ton n the British market and by Kr.30 on other markets, ccording to Swedish press reports. The rise corre- ponds to an increase of just over 4 per cent. Prices or viscose pulp and bleached sulphite and sulphate are likely to remain unchanged. Mechanical pulp prices for the first half of 1961 will be increased by 10 shillings per ton in Britain and by Kr.7.50 on the continent—Stockholm.

Wool

AUSTRALIA—Australian wool production for 1959/60 was a record 1.7 billion lb., greasy equivalent rate, 97.8 million, or 6.1 per cent, higher than the previous record in 1958/59.

Exports of raw wool, which rose from 1.32 billion lb. in 1957/58 to 1.45 billion lb. in 1958/59, rose again in 1959/60 to 1.6 billion lb. Total wool exports increased in 1959/60 and at 1.63 billion lb. exceeded the 1958/59 level by 147.6 million lb.—Sydney.



Foreign Tariffs and Trade Regulations

Proposed Revision of United States Tariff

THE U.S. Customs Simplification Act of 1954 (Public .aw 768 of the 83rd Congress) directed the United tates Tariff Commission to make a comprehensive tudy of the laws prescribing the tariff status of im- orted articles and to submit a revision and consolida- ion of those laws which would establish schedules of ariff classification more logical and better adapted to hanges in articles and markets since 1930, eliminate nomalies and illogical results in classifications, and implify their determination and application. Public earings were held in connection with the conduct of his study. These hearings were drawn to the attention f interested Canadian exporters by notices which ppeared in *Foreign Trade* issues of February 15, March 1 and 29, August 16 and December 6, 1958.

The Tariff Commission's final report, consisting of en volumes, was presented to the President and Con- ress on November 15, 1960. One volume contains he submitting report with general explanatory notes. The second volume consists of the proposed revised chedules, together with a tabulation showing the dis- ribution of the existing tariff provisions in the proposed evised schedules. Each of the other eight volumes ncludes material relating to a specific tariff schedule. The present sixteen schedules of the tariff will, by this proposed revision, be reduced to eight as detailed in the last paragraph.

It is not known at present when Congress will be able to turn its legislative attention to this proposed revision of the U.S. Tariff. It will not, of course, take effect until passed by Congress after due process, and after approval by the President. Existing classifications and rates in the meantime will continue to apply.

In preparing this proposed revision the Tariff Commission sought to avoid, in accordance with the terms of reference set out in PL 768, significant changes in rates of duty on individual products. It is understood that, in general, and to the extent practicable, this was achieved.

To some Canadian exporters it may appear from a comparison of existing rates and the proposed revised classifications that their access to the U.S. market is likely to be significantly affected if the revision is enacted into law. They are invited to provide the Director, International Trade Relations Branch, Department of Trade and Commerce, Ottawa, with full details, at an early date, on the manner and degree to which the proposed revision could affect their shipments to the United States.

The Report, entitled *Tariff Classification Study,* and dated November 15, 1960, may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

	Price	
Submitting Report	$0.35	(83 pages)
Proposed Revised Schedules	4.25	(819 ")
Schedule 1—Animal and Vegetable Products	2.25	(483 ")
Schedule 2—Wood and Paper; Printed Matter	1.50	(301 ")
Schedule 3—Textile Fibers and Textile Products	3.25	(620 ")
Schedule 4—Chemicals and Related Products	2.25	(462 ")
Schedule 5—Non-metallic Minerals and Products	2.00	(406 ")
Schedule 6—Metals and Metal Products	4.75	(903 ")
Schedule 7—Specified Products; miscellaneous and non-enumerated products	5.00	(896 ")
Schedule 8—Special Classification Provisions Appendix to the Tariff Schedules	1.00	(178 ")

Bank or postal money orders, in U.S. currency, should be made payable to the Superintendent of Documents.

Denmark

IMPORT LIBERALIZATION EXPANDED—As of December 28, 1960, the Danish Ministry of Commerce has liberalized a number of commodities, including the following items of interest to Canadian exporters:

Tomato juice
Gold and platinum amalgamates
Colloidal gold and platinum
Gold leaf
Platinum and rolled or filled gold
Gold and platinum waste
Films without Danish text
Rubber labels
Rubber plates for punching of soles and heels
Rubber soles and heels
Cast pipe straps
Locks and fittings for cooling and freezing furniture
Non-electrical lighting articles
Transformers
Induction coils
Rotary or static converters
Rotor and stator plates
Side-cars for motorcycles and bicycles
Brushes for vacuum cleaners
Badminton balls
Golf balls

Gambia

IMPORT CONTROLS—The Government of the British Colony of Gambia issued on August 30, 1960, an Open General Licence which has the effect of permitting the import of all goods from Canada, except wheat flour and rice, without the necessity of obtaining individual licences for each shipment.

The effect of this licence is to formalize the relaxation announced on November 20, 1959, and at the same time to provide for continuation of the licence requirements with respect to wheat flour and rice. The Gambia authorities have explained that the individual licence requirement on flour is for administrative purposes only and that increased flour shipments from Canada will be welcomed.

Nigeria

IMPORT TARIFF CHANGES—Several changes were made in the Nigerian import tariff, effective December 8, 1960, of which the following are of possible interest to Canadians:

1. an increase in the tariff on motor vehicles and marine outboard motors from 15 to 20 per cent ad valorem,

2. on preserved fish from 11d. per pound to 20 per cent ad valorem,

3. on hand implements and tools from "free" to 10 per cent ad valorem,

4. on flour and meal from "free" to £7.10.0d per ton, with a minimum of 15 per cent ad valorem.

The changes also include a reduction in duty on copper and brass products in secondary form from 20 to 10 per cent ad valorem.

Note: The Nigerian tariff does not provide preferences for any country.

Pakistan

IMPORT CONTROLS—The import policy for the period January-June 1961 has been announced by the Chief Controller of Imports and Exports, Pakistan. The thirty-three items below have been added to the existing list of items being licensed on an automatic basis (see *Foreign Trade,* July 16, 1960.)

Building and engineering materials, all sorts (other than those made of iron or wood) and silica sand
Electric insulating material, all sorts, n.o.s.
Anchors and cables
Valves for iron and steel pipes and tubes
Suitcase locks and fittings, including safe locks and automatic door locks
Scientific instruments, apparatus and appliances, all sorts, n.o.s., and component parts and accessories thereof, including weighing scales, weigh bridges, clinical thermometers and other instruments (excluding geometry boxes of the c. and f. value of Rs.3 and below)
Packing for engines and boilers, all sorts, n.o.s.
Ball roller and taper bearings
Brake fluid
Cinematographic films, unexposed
Unframed optical lenses and rough blanks for making lenses
Glucose
Crepe rubber sheets
Rubber patches and solution (excluding hot patches)
Canes and rattans, n.o.s.
Cork manufactures, n.o.s.
Glue, gum and resins, including lac and shellac
Vacuum flasks, including refills
Needles, all sorts

Iedical appliances made of silk or artificial silk
urgical instruments, apparatus and appliances, and parts and accessories thereof, n.o.s., other than those made in Pakistan, and excluding absorbent cotton wool but including artificial teeth
ypewriters and parts thereof
ffice machines and office equipment, parts and accessories thereof
hotographic films, plates and paper including sensitized paper
ago
uplicating stencils
having brushes and tooth brushes
Iotorcycles and motor scooters
utomotive conveyances, n.o.s., including rickshaws without bodies

or East Pakistan only
sphalt, pitch and tar
ilbatta
lectrodes, all sorts, n.o.s., including welding electrodes
ondensed milk (subject to initial licensing at 25 per cent of category repeatable at the same level)

Milk food was previously on automatic licensing for ast Pakistan only. It will now be on automatic licens- ng throughout the country.

nited States

ARIFF RECLASSIFICATION OF METAL PARTS OR ELECTRIC UTENSILS PROPOSED—The nited States Federal Register of January 12 contains he following notice issued by the U.S. Bureau of ustoms.

"It appears probable that a correct interpretation of ustoms Appeal Court Decision 681 requires that arts in chief value of metal for electric household tensils and electric kitchen utensils such as coffee ercolators, can openers, coffee grinders, pepper mills, uicers, portable sterlizers, hair dryers, hotplates, fryers, riddles, portable ovens, toasters, and battery-operated nanicure kits, except those which are classifiable under aragraph 353 as articles having as an essential feature n electrical element or device, be classified as articles, ot specially provided for, manufactured in chief value f metal, under paragraph 397, tariff act of 1930, and utiable in most cases at the rate of 19 per cent ad alorem under the provisions of that paragraph as nodified.

"Pursuant to 16.10A(d) of the Customs Regulations 19 CFR 16.10A(D)), notice is hereby given that the xisting practice of classifying such articles as parts f articles having as an essential feature an electrical evice or element, not specially provided for, under aragraph 353, Tariff Act of 1930, and dutiable at he rate of 13¾ per cent ad valorem under the provi- ions of that paragraph as modified, is under review y the Bureau of Customs.

"Consideration will be given to any relevant data, iews or arguments pertaining to the correct tariff lassification of this merchandise which are submitted to the Bureau of Customs, Washington 25. To assure consideration of such communications, they must be received in the bureau not later than 30 days from the publication of this notice. No hearings will be held."

The United States Division, International Trade Relations Branch, Department of Trade and Commerce, would appreciate hearing from any Canadian exporters who would be adversely affected if this proposed tariff reclassification is implemented by the U.S. Bureau of Customs.

West Germany

DOLLAR LIBERALIZATION—According to the Commercial Counsellor for Canada in Bonn, the West German Government has freed from import control, effective January 1, 1961, a number of commodities imported from dollar countries. Items of interest to Canada on the liberalized list include the following:

Certain cheeses (but not hard or semi-hard cheese)
Certain frozen vegetables, and vegetables and kitchen herbs in containers of five kilos or more
Frozen fruits without sugar
Transparent fabrics of artificial fibres
Terry towelling and similar fabrics of cotton
Fishing nets of cotton
Bathing dresses of wool or fine animal hair

Further details of the German liberalization may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Trade Commissioners on Tour

In Territory

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Zagreb and Ljubljana in Yugoslavia from February 6-10, and Sofia, Bulgaria, from March 6-11.

G. A. NEWMAN, Commercial Counsellor in New Delhi, will visit Madras from February 12-17, and Hyderabad and Bangalore from March 13-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Belgrade, Yugoslavia, from February 6-10, and Budapest, Hungary, from March 20-23.

W. B. WALTON, Assistant Commercial Secretary in Beirut, Lebanon, will visit Baghdad, Iraq, and Kuwait and Bahrain late in February.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Freyseng and Mr. Thomson at Vienna, Mr. Newman at New Delhi, and Mr. Walton at Beirut.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-3473
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Tel.:* U-1304
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97
Belgium Luxembourg, European Economic Community, European Atomic Energy Community, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 13.38.50
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	D. M. Holton Consul and Trade Commissioner R. C. Anderson Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 14522 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	R. A. Bull Acting Trade Commissioner	C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Tel.:* 2706

Territory	Officer	City Address	Mail and Cables, Office Telephone
Cuba	R. R. Parlour Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Tel.:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary C. T. Charland Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 21971
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Tel.:* 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor J. R. Midwinter Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area NEW DELHI 1	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 35201
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner G. P. Morin Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Legation 32 Anatole France TEHRAN	*Mail:* P.O. Box 1610 *Cable:* CANTRACOM *Tel.:* 4-9291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 864-327
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 408-2101/8
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel:* 50955
Mexico	F. B. Clark Commercial Secretary W. M. Miner Assistant Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D.F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor G. E. Woollam Agricultural Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Nigeria	H. W. Richardson Commercial Counsellor	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road LAGOS	*Mail:* P.O. Box 851 *Cable:* CANADIAN *Tel.:* 25262

Territory	Officer	City Address	Mail and Cables, Office Telephone
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 OSLO	*Mail:* P.O. Box 1379—Vika *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan	L. A. Campeau Commercial Counsellor J. B. McLaren Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 50322
Peru Bolivia	W. J. Jenkins Acting Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner R. M. Dawson Vice Consul and Assistant Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 74260
South Africa (Natal, Orange Free State, Transvaal) Madagascar, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mutual Building 17th Floor, Corner Rissik and De Villiers Streets JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANADIAN *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	J. M. T. Thomas Acting Commercial Secretary	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Union of Soviet Socialist Republics	W. Van Vliet Commercial Counsellor	Canadian Embassy 23 Starokonyushenny Pereulok MOSCOW	*Mail:* (City Address) *Cable:* CANAD *Tel.:* 415142
United Arab Republic **Egyptian Region** Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom	B. C. Butler Minister (Commercial)	Office of the High Commissioner for Canada One Grosvenor Square London, W.1	*Mail:* (City Address) *Cable:* Sleighing *Tel.:* Mayfair 9492
	S. G. Tregaskes Commercial Counsellor		
	W. Gibson-Smith Commercial Counsellor		
	D. B. Laughton Agricultural Secretary		
	E. J. White Commercial Secretary (Timber)		*Cable:* Timcom
	W. A. Stewart Assistant Agricultural Secretary		
	Geo. Hazen Assistant Commercial Secretary		
	S. G. Harris Assistant Commercial Secretary		
United Kingdom (Midlands, North England)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street Liverpool	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Central 0625
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner	Cornhill House 144 West George St. Glasgow C.2	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* Douglas 6751
	E. J. Ward Assistant Trade Commissioner (Timber)		
United Kingdom (Northern Ireland)	W. R. Van Canadian Government Trade Commissioner	36 Victoria Square Belfast	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	M. Schwarzmann Minister-Counsellor (Economic)	Canadian Embassy 1746 Massachusetts Ave., N.W. Washington 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Tel.:* DEcatur 2-1011
	D. A. B. Marshall Agricultural Counsellor		
	T. M. Burns Commercial Counsellor		
	J. D. Blackwood Assistant Commercial Secretary		
	J. MacNaught Assistant Agricultural Secretary		
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. Washington 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Tel.:* DEcatur 2-1011
United States (Connecticut, New Jersey, New York, Pennsylvania), Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave. New York City 19	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
	A. A. Caron Consul and Trade Commissioner		
	R. D. Sirrs Vice Consul and Assistant Trade Commissioner		
	F. I. Wood Vice Consul and Assistant Trade Commissioner		

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner L. D. R. Dyke Vice-Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston Street Boston 16	*Mail:* (City Address) *Tel.:* COngress 2-1245
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	H. J. Horne Consul and Trade Commissioner N. L. Currie Vice Consul and Assistant Trade Commissioner D. A. Hilton Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue Chicago	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building Detroit 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street Los Angeles 14	*Mail:* (City Address) *Tel.:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner G. E. Blackstock Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart New Orleans 12	*Mail:* (City Address) *Cable:* Canadian *Tel.:* JAckson 5-2136
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street San Francisco 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way Seattle 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 2-3515
Uruguay Paraguay Falkland Islands	Blair Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Tel.:* 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco Caracas	*Mail:* Apartado 11452-Este *Cable:* Canadian *Tel.:* 32.40.41.44
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Secretary R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 34787
West Indies (Jamaica) Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner C. G. Bullis Assistant Trade Commissioner	Barclays Bank Building King Street Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.00628930.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 16	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01205	82.99	(1)
Austria	Schilling		.03821	26.17	
Australia	Pound		2.2308	.4483	
Bahamas	Pound		2.7885	.3586	
Belgium and Luxembourg	Franc		.01994	50.15	
Bermuda	Pound		2.7885	.3586	
Bolivia	Boliviano	Free	.00008698	11,496.89	
British Guiana	Dollar		.5809	1.72	
British Honduras	Dollar		.6971	1.43	
Brazil	Cruzeiro	General Category*	.004341	230.36	*Dec. 27 (2)
		Special Category	.001553	643.94	
		Official selling	.05252	19.04	(3)
Burma	Kyat		.2087	4.79	
Ceylon	Rupee		.2091	4.78	
Chile	Escudo	Free	.9446	1.05865	(4)
Colombia	Peso	Certificate	.1483	6.74	
Congo, Republic of	Franc		.01994	50.15	
Costa Rica	Colon	Official	.1770	5.65	
		Controlled free	.1495	6.69	
Cuba	Peso		.9938	1.006239	tax 2%
Czechoslovakia	Koruna		.1380	7.25	
Denmark	Krone		.1441	6.94	
Dominican Republic	Peso		.9938	1.006239	
Ecuador	Sucre	Official	.06625	15.09	
		Free	.05811	17.21	
Egyptian Region, United Arab Rep.	Pound	Official	2.8536	.3504	
		Export account selling	....	....	
El Salvador	Colon		.3975	2.51	
Fiji	Pound		2.5122	.3980	
Finland	Markka		.003105	322.06	
France, Monaco, etc.	New Franc		.2028	4.93	(5)
Franco-African Republics, etc.	Franc		.004056	246.55	(6)
French Pacific	Franc		.01115	89.69	(7)
Germany	D Mark		.2382	4.38	
Ghana	Pound		2.7885	.3586	
Greece	Drachma		.03312	30.19	
Guatemala	Quetzal		.9938	1.006239	
Haiti	Gourde		.1988	5.03	
Honduras	Lempira		.4969	2.01	
Hong Kong	Dollar	Free*	.1736	5.76	*Jan.
		Official	.1743	5.74	
Iceland	Krona	Official	.02615	38.24	(8)
India	Rupee		.2091	4.78	
Indonesia	Rupiah	Official	.02208	45.28	(8
Iran	Rial		.01312	76.23	
Iraq	Dinar		2.7825	.3594	
Ireland	Pound		2.7885	.3586	
Israel	Pound		.5521	1.81	
Italy	Lira		.001601	624.61	
Japan	Yen		.002761	362.19	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 16	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3121	3.20	
Mexico	Peso		.07950	12.58	
Morocco	Dirham		.1988	5.03	
Netherlands	Florin		.2635	3.79	
Netherlands Antilles	Florin		.5310	1.88	
New Zealand	Pound		2.7885	.3586	
Nicaragua	Cordoba	Effective buying	.1506	6.64	
		Official selling	.1410	7.09	
Nigeria	Pound		2.7885	.3586	
Norway	Krone		.1391	7.19	
Pakistan	Rupee		.2091	4.78	
Panama	Balboa		.9938	1.006239	
Paraguay	Guarani	Official	.007856	127.29	
Peru	Sol		.03711	26.95	
Philippines	Peso	Free	.3313	3.02	
		Official	.4969	2.12	
Portugal & Colonies	Escudo		.03468	28.83	(9)
Singapore and Malaya	Straits Dollar		.3253	3.07	
Spain and Dependencies	Peseta		.01656	60.38	
Sweden	Krona		.1922	5.20	
Switzerland	Franc		.2308	4.33	
Syrian Region, United Arab Rep.	Pound	Free	.2778	3.60	
Thailand	Baht	Free	.04725	21.16	(8)
Tunisia	Dinar		2.3850	.4193	
Turkey	Lira		.1104	9.06	(8)
Union of South Africa	Pound		2.7885	.3586	
United Kingdom	Pound		2.7885	.3586	
United States	Dollar		.99375	1.00628930	
Uruguay	Peso	Free	.09010	11.10	(10)
Venezuela	Bolivar		.2967	3.37	
West Indies Fed.	Dollar		.5809	1.72	(12)
	Pound		2.7885	.3586	(13)
Yugoslavia	Dinar	Official	.003312	301.93	(8)
		Settlement rate	.001572	635.97	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Madagascar. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.

Markets in Brief:

BOLIVIA

Area: 419,470 square miles.

Population: 3.5 million.

Climate: varies from cold in the high plateaus to tropical in the eastern lowlands; a wide range of temperature and climate.

Language: Spanish; sales literature in Spanish essential.

Currency: Boliviano; U.S.$1.00 equals Bolivianos 11,467.89.

Weights and measures: metric system.

Capital: La Paz. Technically the legal capital is Sucre but the seat of government is La Paz. Altitude 12,200 feet, highest capital in the world. Airport: El Alto at 13,200 feet.

Chief ports: Bolivia has no seaports. Main ports for merchandise are Mollendo in Peru, and Antofagasta and Arica in Chile.

Marketing centres: La Paz (population) 350,000; Cochabamba 80,000; Oruro 64,000; Potosi 46,000; Cruz 30,000.

Economy: mainly dependent on mining as source of foreign exchange. In recent years has been assisted by grants from the U.S. Government amounting to about $25 million a year. Approximately 85 per cent of population engaged in agriculture; active exploration for oil in eastern Bolivia; cattle-raising important.

Total Bolivian imports: 1958—U.S.$79.6 million (c.i.f.).

Chief imports: 1958 (in millions of U.S.$)—food and beverages 15.3, primary and semi-processed materials 4.7, manufactured articles 59.4.

Chief suppliers: 1958 (in millions of U.S.$)—United States 36.9, West Germany 9.8, Argentina 6.5, United Kingdom 4.7, Peru 3.7, Belgium 3.0, Japan 2.8, Italy 2.7, Chile 2.1, Switzerland 1.6, Netherlands 1.3.

Value of imports from Canada: 1960 (10 months)—$249,677; 1959—Can.$337,876; 1958—Can.$438,737; 1957—Can. $949,469.

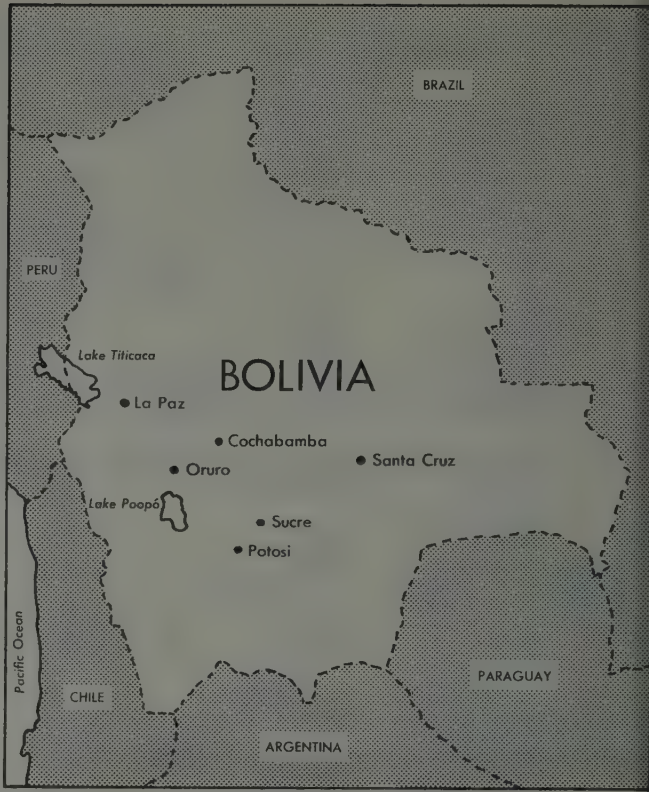
Chief imports from Canada: mining machinery, radio and wireless apparatus, gas engines and parts, bookkeeping machines and parts, industrial machinery, medical preparations, lamps and lanterns, automobile and truck tires, canned fish.

Total Bolivian exports: 1958—U.S.$64.7 million.

Chief exports: tin, wolfram, lead, zinc, antimony, tungsten, gold, silver, coffee, hides. Minerals account for approximately 90 per cent of total exports by value.

Chief markets: 1958 (in millions of U.S.$)—United Kingdom 32.7, United States 21.2, Argentina 6.0, Germany 1.8.

Value of Canadian purchases: 1960 (9 months)—$439,567; 1959—$167,695; 1958—Can.$133,845.



Chief Canadian purchases: tungsten-bearing ores, shelle Brazil nuts.

Dollar exchange: freely available at rate established daily b Central Bank in accordance with normal market forces.

Prices: quote in U.S. dollars, preferably c.i.f. Mollendo, Peru or Antofagasta and Arica, Chile.

Samples: free if of no commercial value. Samples of com mercial value are subject to duty which is not recoverable If value is below $25, no commercial invoice or consula legalization is required.

Trade agreements: most-favoured-nation agreement with Can ada; equal tariff treatment of imports from all countries

Import controls, documentation, customs tariffs, marking an labelling: consult the International Trade Relation Branch, Department of Trade and Commerce, Ottawa.

Canadian banks: none.

Correspondence: airmail only; letters 10 cents per half-ounce.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Secretary
Canadian Embassy
Casilla 1212
Lima, Peru

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Muriel McCann, an Ottawa girl, served for 2½ years in Tokyo before being posted to New Delhi, India, in 1959.

Jeannette Dugal be
a tour of duty in Pa
her first post, in 195
She is a native of
Edmundston, N.B., bu
her Canadian home
is now Ottawa.

Norah Leonard arrived in Canberra, Australia, last summer; her previous post was Djakarta, Indonesia. She comes from Perth, Ontario.

New Delhi or Canberra

Or in one of the other foreign posts where Canadian women like these are working as secretaries and stenographers for the Department of Trade and Commerce. Classified as Foreign Service Stenographers, they are members of the Canadian Trade Commissioners' staffs. Their stay abroad varies from two to three-and-a-half years, with about one year at Head Office in Canada between postings.

Trade and Commerce is looking for women with a sense of responsibility and the spirit of adventure—who are willing to serve wherever they are needed. You are eligible for this career-with-travel if you are 21 to 45 years old, a Canadian, or a British subject with five years' residence in Canada. Starting salaries for the initial period at Head Office in Ottawa range from $257 to $297 a month, depending on your qualifications. Minimum salary on posting is $295. While abroad you are paid cost-of-living and rent allowances. For an application form, contact the Civil Service Commission either at the office in your area or in Ottawa.

The Trade Commissioner Looks at Rumania (page three

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

FEB. 11. 61

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

Established in 1904

FEBRUARY 11, 1961
Volume 115, Number 3

3 **The Trade Commissioner Looks at Rumania . . .** *and sees market openings for certain Canadian products in this developing economy.*

6 **Advertising Abroad: Eastern Europe . . .** *in planned economies, reaching those who make the decisions on imports demands a special technique.*

12 **Sandwell Sells Engineering Services . . .** *an inspiring story of a Canadian firm which is selling its engineering knowhow on six continents.*

18 **West German Market for Tobacco . . .** *Canadian flue-cured Virginia is making some headway as a quality tobacco in a big but difficult market.*

25 **Netherlands Iron and Steel Industry . . .** *another in our current series of articles on the principal Dutch industries.*

2 **Markets in Brief: Rumania . . .** *useful statistics.*

10 **Iraq Pushes Development . . .** *report on Four-Year Plan.*

11 **Iraq Studies Date Exports . . .** *and effective quality control.*

21 **Trade Opportunity: Furniture Dimension and Components**

32 **Businessman's Bookshelf**
23 **Commodity Notes**
15 **Fairs and Exhibitions**
30 **Foreign Exchange Rates**
29 **Foreign Tariffs and Trade Regulations**
27 **General Notes**
17 **Trade Commissioners on Tour**

Published fortnightly by the Department of Trade and Commerce.
The Hon. GEORGE HEES, Minister. JAMES A. ROBERTS, Deputy Minister.

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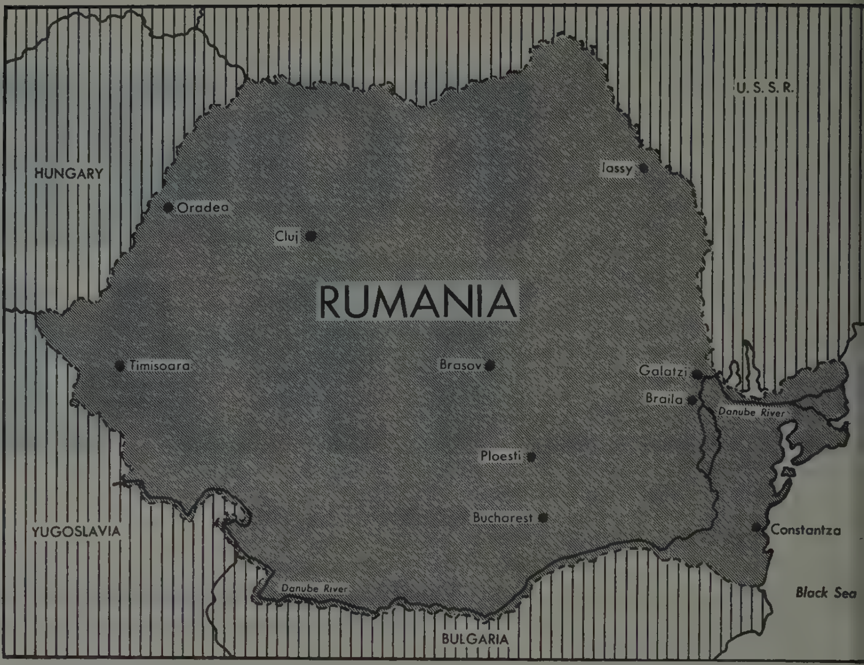
Rumania in Brief



Area: 91,738 square miles.

Population: 18,255,504 in 1959.

Climate: temperate.

Language: Rumanian; Russian, French and English used commercially.

Currency: lei; official rate, 6 lei equal U.S.$1.00; tourist rate, 12 lei equal U.S.$1.00.

Weights and measures: metric system.

Capital: Bucharest, population 1,291,351.

Chief ports: Constantza on the Black Sea; Galatzi and Braila on the Danube.

Marketing centres: Brasov, Timisoara, Ploesti, Oradea, Iassy, Cluj.

Economy: dependent on agriculture and oil but variety of other industries developing rapidly.

Total Rumanian imports: 1959—lei 3,011.6 million; 1958—lei 2,890.2 million.

Chief imports: equipment and materials for complete industrial plants, finished rolled metals, iron ore and other ores, raw hides, cotton (unginned), metalworking tools, diesel engines and gas generators, staple fibre, industrial coke, electric cables and conductors, natural and synthetic tanning substances, steel tubing, ferro-alloys, ball bearings.

Chief suppliers: (in per cent)—U.S.S.R. 46.8; Czechoslovakia 9.8, East Germany 8.9, Poland 3.5, Communist China 6, West Germany 3.7, Hungary 3.6, United Kingdom 2.1.

Value of imports from Canada: 1960 (11 months)—$1.3 million; 1959—$1.1 million; 1958—$1.1 million.

Chief imports from Canada: seed corn, purebred cattle and swine, medicinal preparations, baby chicks, wool rags and waste, aluminum, soya beans.

Total Rumanian exports: 1959—lei 3,130.3 million; 1958—lei 2,810.0 million.

Chief exports: mineral oil and its products, wheat, corn, meat (fresh and preserved), fruits and vegetables (fresh and preserved), wines, tractors, railroad rolling stock, oilfiel equipment, caustic soda and soda ash, carbon black equipment for thermal power plants, equipment for cemen mills, petroleum products, cement, window glass, furniture leather, footwear, paper.

Chief markets: (in per cent)—U.S.S.R. 47.9, East Germany 6.8 Czechoslovakia 6.7, Communist China 5.6, West German 4.6, United Kingdom 1.7.

Value of exports to Canada: 1960 (9 months)—$82,464; 195 —$36,749.

Chief Canadian purchases: walnuts, spices, sheet glass.

Dollar exchange: severely restricted; allocated for import o essentials only.

Prices: quote in U.S. or Canadian dollars, both f.o.b. and c.i.f

Samples: admitted free of duty if not of commercial value.

Import controls, documentation, customs tariffs, marking an labelling: consult the International Trade Relations Branch Department of Trade and Commerce, Ottawa.

Correspondence: airmail only; letters 15 cents per half-ounce

For detailed information on this market write to:

European Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Opernringhof
Opernring 1
Vienna 1, Austria

he Trade Commissioner Looks at

RUMANIA

This Eastern European country has expanded its economy rapidly in the postwar years. This development has opened up trading possibilities for Canadians exporting industrial raw materials, specialized machinery, certain agricultural products—and willing to study market at first hand.

. K. THOMSON,
ommercial Counsellor, Vienna.

CANADA'S trade with Rumania has developed in a modest but encouraging way in the past two or three years, and some details about this country, its economy and methods of trade may be of interest to Canadian exporters and importers. Richly endowed agriculturally, with mineral wealth (especially oil) and a developing industry, Rumania's economy has progressed in the past decade. Canadian trade with Rumania has increased from the negligible value of a few years ago to an encouraging total in 1959 and 1960. The visit to Canada of a Rumanian buying mission early in 1959 was evidence of the interest of the Rumanian Government in strengthening this growing trading relationship; purchases in Canada of more than $1 million, largely in the agricultural field, are reported to have resulted.

Agriculture and Oil

During the last war Rumania suffered some damage, particularly to its oil industry, but recovery is complete. Agriculture has always been the backbone of the economy and since the Middle Ages the raising and export of wheat, corn, fruit, and meat products has been important. Today over 80 per cent of the total agricultural area consists of state-operated or collectivized farms and agricultural production is becoming increasingly mechanized and modernized. Oil is the next most important factor; the well known Ploesti oilfields near Bucharest are responsible for the bulk of production, although new oilfields have recently been found and exploited in other parts of the country. Annual oil production is reported to be over 12 million tons; the oil is of good quality and relatively sulphur-free. Rumania is producing and exporting a wide variety of oil products and derivatives—including high-octane petrol, special oils and bitumens, paraffin wax and naphthenic acids. Natural gas is produced and used for various purposes in large quantities.

Rumania is developing a complex chemical industry relying to some extent on the oil industry for its raw materials. A synthetic rubber factory with an initial capacity of 25,000 tons a year began production in 1959 and a synthetic fibre factory using petrochemical raw materials has also been built. Output of synthetic resins of different types is increasing. In addition, Rumania is producing and exporting a variety of other chemicals and pharmaceuticals, including calcium carbide, dyestuffs, solvents, phosphates and many organic chemical products. She mines about eight million tons of coal a year, mainly lignite in quality, and also possesses important deposits of iron ore, manganese, gold, copper and lead.

90552-1—1½

Rumanian Foreign Trade Companies

AGROEXPORT Str. Doamnei 12 Bucharest	Export and import of all grains, seeds, spices, medicinal herbs and similar products.
CARTIMEX Str. Aristide Briand 14-18 Bucharest	Export of paper, stamps, handicraft articles, carpets, textiles, garments, leather, ceramic products and basketware.
CHIMIMPORT Str. Doamnei 12 Bucharest	Export and import of industrial and fine chemicals and pharmaceuticals.
EXPORTLEMN Piatza Rosetti 4 Bucharest	Export of wood and wood products.
INDUSTRIALEXPORT Str. Gabriel Péri 2 Bucharest	Export of machine tools, building machinery, rollingstock, diesel engines, farm equipment, electric motors, transformers, oilfield equipment, complete industrial plants, (cement mills, oil refineries, various plants for the chemical industry, thermal power plants and others), sea and river ships. Import of ships.
MASINIMPORT Str. M.Eminescu 10 Bucharest	Import of complete plants and machinery, heavy machinery and equipment for industrial and transport purposes, except ships.
METALIMPORT Bd. 6 martie 42 Bucharest	Export and import of ferrous and non-ferrous metals and alloys.
PETROLEXPORT Bd. 6 martie 42 Bucharest	Export of petroleum products and derivatives; import of certain ores.
PRODEXPORT Str. Gabriel Péri 5-7 Bucharest	Export and import of food products (fruit and vegetables, meat, processed and unprocessed).
ROMINOEXPORT Piatza Rosetti 4 Bucharest	Export of cement, glass and glassware, textile products, and other secondary manufactures; leather goods, footwear. Import of raw materials for such industries.
TECHNOIMPORT Str. Doamnei 5 Bucharest	Import of industrial machinery and equipment, consumer goods.

Other Resources

In her mountains Rumania has large areas of forest and the production and export of paper, timber, plywood, fibreboard, furniture and other wood products is important. Ambitious plans are under way for the expansion of paper and cellulose production. These include the erection of a large plant for making these products from the vast resources of river reeds growing in the great delta area of the Danube River where it flows into the Black Sea.

Industry, both heavy and light—ranging from the production of oil-drilling equipment, tractors and locomotives to textiles and refrigerators—is increasing; it is understood that approximately 60 metallurgical and engineering works have been built or reconstructed in the postwar years. Production of iron ore is over seven times the prewar figure and metallurgical coke over seven times. One of the largest pipe-rolling mills in southeast Europe has been built there, in addition to new and modern steelworks, blooming mills and rolling mills. Gross industrial output is reported to have increased at an annual average rate of 12.8 per cent during the past nine years.

Six Year Plan

In May 1960 the Rumanian Government published details of its latest Six Year Plan covering the years 1960-1965. This ambitious plan has as its main objectives the development of industry and agriculture, the expansion of the economy in the less developed areas of the country, an increase in national income, and the improvement of the standard of living. The main industrial effort will be concentrated on the iron and steel, the machinery and chemical industries and the expansion of electric power, plus the development of new resources, particularly mineral. By 1965 the output of pig iron is expected to total two million tons, compared with 846,000 tons in 1959. Steel output is expected to rise to 3.3 million and iron ore to 4 million tons by 1965; the latter is approximately a fourfold increase over 1959. Output of non-ferrous metals is to be expanded by 1965 to meet domestic requirements of lead, zinc and aluminum and nearly all requirements of copper. An aluminum plant with a capacity of 50,000 tons a year is planned, to use Rumanian bauxite. The over-all output of the chemical, rubber, cellulose and paper industries is expected to increase over three times in the next five years, including a target of 59,000 tons of synthetic rubber. Plants producing 374,000 tons of paper a year are also envisaged.

By the end of 1965, gross agricultural output is scheduled to be 70-80 per cent greater than in 1959, argely through the mechanization of agriculture, the intensive use of ertilizers, and the opening-up of new land through drainage and irrigation. According to the Plan, wheat output by 1965 is expected o exceed 5 million tons. Purchases of Canadian purebred swine, beef cattle and baby chicks by Rumania n the past year or so are evidence of the interest in increasing the level and quality of agricultural production.

Conducting Foreign Trade

As in other "planned economy" countries in Eastern Europe, Rumania conducts its foreign trade through a number of trade enterprises, each responsible for the monopoly of the import and export of a group of commodities. The principal trade enterprises so engaged are listed in the accompanying box, with some data on the field that each covers. These foreign trade enterprises are the only organizations in Rumania that can place orders abroad for goods of any description and are the sole agents for selling Rumanian goods abroad.

Rumanian foreign trade has expanded considerably in the last 15 years, keeping pace in scope and diversity with the industrial development of the country. For example, it is reported that between 1938 and 1959 Rumania's exports of machinery and equipment increased from less than 1 per cent of total exports to more than 15 per cent. Whereas agricultural products and raw materials formed the bulk of Rumanian exports twenty years ago, the list of goods shipped abroad at present is much more diverse and represents all phases of Rumanian industry, from complete plants and products of the iron and steel industry to a wide range of oils and chemical byproducts. Agriculture and oil, however, still provide the greater part of Rumanian exports.

In recent years 75 per cent of the volume of Rumania's foreign trade has been carried on with other Communist states; Rumania now trades with more than 70 different countries, approximately 40 of which have entered into commodity trade agreements with her for the exchange of stipulated commodities according to agreed values. Trade with countries of the non-Communist world is increasing. The draft Six Year Plan for the years 1960-1965 provides for the volume of foreign trade to double.

Canadian trade with Rumania has always been very small but in the past two years has shown encouraging signs of expansion. In 1937, for example, Canadian exports to and imports from Rumania totalled only $181,618. In 1957 this figure increased to $428,979 but the balance of trade was considerably in Canada's favour. In 1958 Canadian exports to Rumania were valued at $1.1 million, including hybrid corn seed, animal and poultry breeding stock, hides, wool rags and waste, and medicinal preparations. Exports during 1959 were at approximately the same level. Canadian imports from Rumania still remain modest in value but have included such products as sheet glass, handicraft goods, paprika and other spices, and shelled walnuts.

Market for Canadian Goods

The extent of Rumanian purchases in Canada will depend somewhat on Rumania's ability to increase sales of Rumanian goods there. Foreign exchange reserves are limited because most of her trade with Communist and non-Communist countries is conducted within the framework of bilateral balanced trade agreements. Purchases from Canada will therefore be confined to products essential for the progress of the economy and not readily available from her principal trading partners. Generally speaking, these include raw materials for industry, such as base metals and chemicals; specialized machinery, plant and equipment, and agricultural products such as seed, pedigreed livestock and poultry.

Canadian traders, whether considering Rumania as either a market for their products or as a source of supply, may contact any of the trade corporations detailed in the accompanying box directly; Rumanian trade enterprises appear interested in learning more about Canadian products. Any literature provided should be sent in several copies for wider circulation within the trade corporations and to possible end-users. Correspondence with these organizations may be conducted in either English or French. Imports and exports are shipped principally through Constantza on the Black Sea and also through North European and Mediterranean ports.

Selling to the Rumanian market is by no means easy and can only be done effectively through personal visits to the country and direct contact with trade organizations, officials and end-users of the product concerned.

Visits of Canadian businessmen to Rumania are welcomed; they are helpful in stimulating interest in Canadian products and almost essential for making sales. Bucharest is well served by air from Western European centres. Canadian businessmen require Rumanian visas and these may be secured through the Rumanian Legation in Washington, D.C., or other Rumanian consulates and embassies abroad.

The Commercial Counsellor and the Assistant Commercial Secretary at the Canadian Embassy in Vienna visit Rumania periodically and are prepared to assist Canadian businessmen who are interested in trading with that country.

Visiting Iran?

The Iranian New Year falls on Tuesday, March 21, 1961, the Commercial Counsellor in Tehran informs us. Canadian businessmen who are planning a visit to Iran should avoid the period March 16 to April 2, because many Iranians will be away from Tehran during this time.

Advertising Abroad

In Eastern Europe, film showings, lectures on technical subjects, advertisements in the technical press, and displays at trade fairs have proved to be effective ways of reaching end-users of products in an area where state monopolies conduct foreign trade and make the buying decisions.

PETER A. FREYSENG, *Assistant Commercial Secretary, Vienna.*

THE Canadian exporter who wishes to influence buying decisions in Eastern Europe by advertising must consider his advertising campaign in terms of the systems of trading in force in this area. In Czechoslovakia, Hungary, Bulgaria and Rumania, the State owns all the production resources and trading facilities and operates them through various Government Ministries on the basis of general five-year and more detailed one-year plans, drawn up in line with long-term national economic policies. Foreign trade is conducted by approximately ten to twenty foreign trade monopolies in each country, one for each broad product field, under the supervision of the Foreign Trade Ministry. These trade monopolies consider imports and foreign exchange commitments annually in consultation with banking, production and marketing officials.

In contrast, the Yugoslav trading system represents a compromise between central planning and the principles of decentralization and competition. The Government guides foreign trade by planned allocation through central banks of foreign exchange and investment funds. Beyond that, Yugoslav enterprises can compete in all fields with each other and can buy and sell what they wish. Thus in Yugoslavia, instead of one monopoly enterprise handling a specific group of products, the advertiser will find as many as ten firms competing with one another in similar product fields.

Certain other factors have a bearing on advertising. Since the war, economic planning in all Eastern European countries has given priority to growth in industrial and agricultural production rather than in the supply of consumer goods. Thus Czechoslovakia, Hungary, Rumania and Bulgaria generally import from the West only the agricultural and industrial raw materials and machinery which they cannot obtain in the Communist Bloc. (In contrast again, Yugoslavia trades with Western countries in all products, but here too shortages of foreign exchange have made it necessary to give priority to imports of raw materials and machinery.) The emphasis on improvement of production has created a great need for technical knowledge and knowhow. Eastern Europeans are trying to meet Western standards of production and want not only Western products, but our ideas and experience as well.

General Principles

From all this, the Canadian exporter can draw the following conclusions about the range of any advertising campaign and the methods he can use.

- Advertising must be directed at specific groups of traders, officials and technicians rather than the general public. The wishes of the consumer have some, but limited, influence on imports.

- It should be confined to the products used by industry and agriculture.

- It must carry a technical message.

- Advertising in mass media serves little purpose for the exporter.

What Audience?

In Eastern Europe, advertising must be based on a careful assessment of exactly who will influence the import of a particular product before a campaign begins. In general, the advertiser should aim at the following groups:

1. Those immediately involved in the import of and payment for his goods, such as executives of the foreign trade corporations, the officials of the Ministries of Foreign Trade, and the officials of the state banks in Czechoslovakia, Hungary, Rumania and Bulgaria; the management of the import firms; members of the Chamber of Foreign Trade; officials of the state Foreign Trade Bank and the Federal Committee of Foreign Trade in Yugoslavia.

2. The distributors who must warehouse and dispose of the goods after import. It should be pointed out that the importing organization and the distributing organization are quite separate and consequently the distributor may at times be in closer touch with the domestic market requirements for particular products.

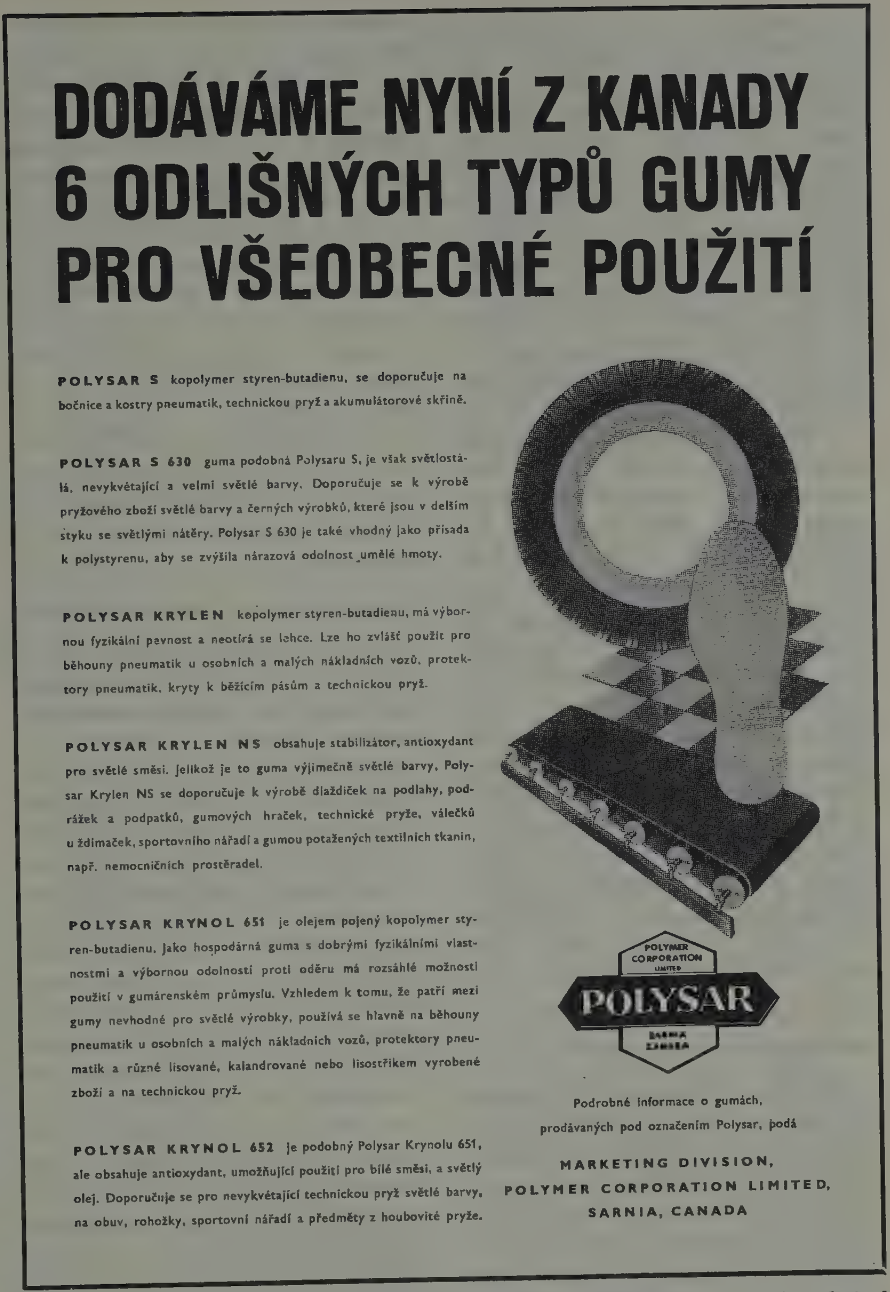
The end-users of any product, or ose who will advise the end-user -including the management, en- neers, technicians and foremen of ctories and state farms; directors nd experts of national and provin- al research institutes; officials of e State Investment Banks who fluence the allocation of funds for nported investment goods; officials f production ministries (such as e Ministry of Agriculture); and, Yugoslavia, members of the semi- fficial Federal and Provincial hambers of Agriculture and Indus- y as well, because they help plan nports and approve investment rojects.

he Language Problem

The mass media of the daily ress, radio, television, movies and illboards exist in varying degrees n all these countries but because of he nature of the trading systems nd actual product opportunities ave little influence on the decision o import. The Canadian exporter vill find that advertisements in the echnical press, direct mail, lectures nd films, and exhibits at trade fairs re the most effective means of eaching the people who might be nterested in his product.

In using any of these media, the advertiser must pay close attention to the language to be used and the problem of standards. Advertising, even aimed at educated people such as engineers, has most appeal in the native languages of a particular country. In Czechoslovakia, Czech is spoken in the provinces of Bohemia and Moravia and Slovak in Slovakia, and both languages are written in the Latin (or Western) script. In Hungary the language is Hungarian and the script Latin. In Rumania the native Rumanian is the official language, but there are substantial minority groups who speak Hungarian and German as well; the script is still Latin. In Bulgaria, the language is closely affiliated with Russian and the Cyrillic script is used. In Yugoslavia, Serbo-Croat is understood everywhere although there are other languages too. The advertiser should notice, however, that the Cyrillic script is used in writing Serbo-Croat in the provinces of Serbia, Montenegro and Macedonia, and the Latin script in the provinces of Croatia and Slovenia.

It is true that a number of other languages are understood throughout Eastern Europe. For centuries, the German and Austrian influence was strong and many of the countries had substantial German-speaking minorities. Many of the older executives, engineers and experts were educated in Austria or Germany. German thus continues to be a well-understood commercial and technical language, particularly in Czechoslovakia, Hungary and Yugoslavia. The French cultural influ-


POLYMER
CORPORATION
LIMITED
POLYSAR
SARNIA
CANADA

DODÁVÁME NYNÍ Z KANADY
6 ODLIŠNÝCH TYPŮ GUMY
PRO VŠEOBECNÉ POUŽITÍ

POLYSAR S kopolymer styren-butadienu, se doporučuje na bočnice a kostry pneumatik, technickou pryž a akumulátorové skříně.

POLYSAR S 630 guma podobná Polysaru S, je však světlostálá, nevykvétající a velmi světlé barvy. Doporučuje se k výrobě pryžového zboží světlé barvy a černých výrobků, které jsou v delším styku se světlými nátěry. Polysar S 630 je také vhodný jako přísada k polystyrenu, aby se zvýšila nárazová odolnost umělé hmoty.

POLYSAR KRYLEN kopolymer styren-butadienu, má výbornou fyzikální pevnost a neotírá se lehce. Lze ho zvlášť použít pro běhouny pneumatik u osobních a malých nákladních vozů, protektory pneumatik, kryty k běžícím pásům a technickou pryž.

POLYSAR KRYLEN NS obsahuje stabilizátor, antioxydant pro světlé směsi. Jelikož je to guma výjimečně světlé barvy, Polysar Krylen NS se doporučuje k výrobě dlaždiček na podlahy, podrážek a podpatků, gumových hraček, technické pryže, válečků u ždímaček, sportovního nářadí a gumou potažených textilních tkanin, např. nemocničních prostěradel.

POLYSAR KRYNOL 651 je olejem pojený kopolymer styren-butadienu. Jako hospodárná guma s dobrými fyzikálními vlastnostmi a výbornou odolností proti oděru má rozsáhlé možnosti použití v gumárenském průmyslu. Vzhledem k tomu, že patří mezi gumy nevhodné pro světlé výrobky, používá se hlavně na běhouny pneumatik u osobních a malých nákladních vozů, protektory pneumatik a různé lisované, kalandrované nebo lisostřikem vyrobené zboží a na technickou pryž.

POLYSAR KRYNOL 652 je podobný Polysar Krynolu 651, ale obsahuje antioxydant, umožňující použití pro bílé směsi, a světlý olej. Doporučuje se pro nevykvétající technickou pryž světlé barvy, na obuv, rohožky, sportovní nářadí a předměty z houbovité pryže.

Podrobné informace o gumách,
prodávaných pod označením Polysar, podá

MARKETING DIVISION,
POLYMER CORPORATION LIMITED,
SARNIA, CANADA

Canada's Polymer Corporation, Sarnia, placed this advertisement in a Czech technical journal, Chemicky Prumysl, *in July 1959. The text concentrates on giving technical information about the uses of the various types of synthetic rubber Polymer makes.*

ence used to be strong, particularly in Czechoslovakia, Yugoslavia and Rumania. Today French has the advantage over German and English only in Rumania. Russian is now compulsory in the schools in most countries, but its use appears to be advantageous only in countries which have Slavic languages, such as Czechoslovakia, Yugoslavia and Bulgaria. English is not so widely known as the other languages but knowledge of it is increasing, particularly in importing circles.

This bewildering variety of languages may appal the exporter who is thinking of a quick blanket campaign for the whole area. The fact remains, however, that use of the right native language brings a quick return; the advertising message will not have its full impact if the executive, official or technician does not understand all the details or has to depend on a slow translation department. Recently in Yugoslavia a Canadian firm circulated its English pamphlet among end-users with a covering memorandum in Serbo-Croat. The result was immediate inquiries from a number of executives who might otherwise never have even glanced at the English pamphlet.

Standards and Prices

Almost as important as language in using any medium is the question of standards, and this is particularly true where advertising must carry a technical message, whatever form it takes. The metric system is used throughout the area for weights and measures, but individual countries sometimes have their own peculiar terms. Thus in Hungary agricultural production is measured in yields per cadastral yoke (0.7 acres), and in Yugoslavia in carloads (10.1 short tons) per hectare (2.5 acres). Any advertiser stressing the productive qualities of an agricultural product will not reach his hearers or readers quickly if he insists on using bushels per acre. Temperatures should be quoted in Centigrade.

Prices should be given only in dollars, not in the East European currencies. There are a number of fixed exchange rates for the latter and it is difficult for the advertiser to know which he should choose. Moreover, the importing organizations will judge prices quoted by a Canadian exporter only in terms of their competitiveness with other possible Western sources of supply. If advertising is to emphasize the cost-saving feature in a product, it should if possible be cast in non-currency terms, such as output per unit of time or energy.

These points may seem obvious, but they make all the difference between a successful and unsuccessful advertising campaign in this part of the world.

Technical and Commercial Press

Each of these countries has as many as 50 monthly technical journals, published by the national production ministries, scientific or technical societies, and various publishing houses devoted to getting out magazines for a particular sector. They cover every field of production in agriculture and industry, from automation to textile production. The average circulation is 3,000 to 8,000, although some have as many as 30,000 subscribers. Canadian exporters can place ads in the magazines that will reach the people most concerned with any given product. Ads should be technical and not general in nature and might include a coupon which the reader can mail to a given address for more details. By including this, the advertiser makes sure that readers know where to turn for more information and can determine how effective his ads are. The technical journals are hungry for article material, with illustrations, and it should be possible to induce them to run such articles if a series of ads is placed with them.

Direct Mail

A direct mail campaign can take two forms: the advertiser can concentrate on the importers and import organizations, or he can attempt to reach the distributor and end-user groups as well. For th former, the office of the Commercial Counsellor, Canadian Embassy Vienna, can provide lists of ke personnel in the importing organizations. For the latter, however, muc depends on the willingness of th foreign trade corporations and th national chambers of commerce t provide the names of manufacturin and wholesale organizations, officials, and research centres. In Yugoslavia these names are generall available in convenient directorie but this is not true of the othe countries.

The literature for any type o campaign should contain a specifi detailed and technical description o the products in terms of Europea measurements and standards and i the language of the country. Bot c.i.f. North or South European por and f.o.b. Canadian port price should be given. Though the importer will want the c.i.f. Europea rate for immediate comparison, h may eventually wish to arrang transportation through an agenc which he can pay in one of th East European currencies instea of in dollars. The literature shoul also give the names and addresse of the nearest Canadian compan representatives to contact for furthe information. If the mailing campaign is directed specifically at end-users, the advertiser must mak sure that the end-user knows whic import organization is responsibl for purchases of a particular foreig product. Often importers receive s many different offers from foreig companies (ten thousand each yea go to the Czech foreign trade corporations) that they are unable t contact potential end-users of a the products for which they receiv literature. If the end-user is convinced and knows whom to contact he may well be able to drive throug a sale.

It is not the appearance of thi literature but its content that counts This is because the officials, plan managers, and technicians like t retain it for reference even if the do not want to order the product nmediately. It may be used, for astance, in drawing up quarterly nd annual import plans. At differnt levels these plans often contain oncrete recommendations about efinite makes of products to be rdered from designated sources. In ase of sudden need, the foreign rade corporations compare what is vailable from different Western uppliers on the basis of the literaure they have on file. Literature ent only to the foreign trade cororations or import firms should be n quantities of twenty at least for ach recipient. This will enable the mport organization not only to file ome copies but to circulate others mong distributors and end-users.

Movies and Lectures

Because of Eastern Europe's great interest in technical knowledge, one of the most effective ways of advertising is to give lectures or to hold film showings in these counries. At least one successful Canadian exporter to this area is giving ectures in the countries he visits, and he has succeeded in reaching the experts and end-users who influence imports of his products. An exporter who has the reputation of an expert in his field will find that he is always welcome in Eastern Europe. Lectures and film showings may be arranged in co-operation with the national chambers of commerce and foreign trade corporations. If it proves impossible for the exporter to make a trip to Eastern Europe himself, the office of the Commercial Counsellor, Canadian Embassy, Vienna, may be able to arrange film showings there.

Trade Fairs

Exhibiting at trade fairs is the most convenient way for the exporter to test the end-users' demand for his products in an Eastern European country. For most effective participation, however, the exporter should combine exhibiting with advertising in technical journals, a mailing campaign, and a personal visit to the market. The ads and the mailing pieces should mention that the exporter will be displaying his goods in a particular pavilion at a particular trade fair. Again, both the advertisements and the literature can contain a detachable coupon that the recipient can give to the person on the stand at the trade fair. The company representative will thus be able to identify at once those most interested in Canadian products and will be able to judge the effectiveness of the advertisements and mailing campaign.

At least one general industrial fair is held each year in most of the countries covered in this report, plus special technical and agricultural fairs. For the past two years the Canadian Government has had a pavilion housing a collective display at the Brno Trade Fair in Czechoslovakia and each time business has resulted for Canadian firms taking part. Last year the Government also participated in the Zagreb International Fair in Yugoslavia. Canadian firms who want information on how to take part in these collective exhibits should write to the Chief of the Trade Fairs Abroad Division, Department of Trade and Commerce, Ottawa.

Advertising Agencies in Eastern Europe

Czechoslovakia
Director
Rapid Agency
Washingtonova 9
Prague

Rumania
Director
Publicom
Bd. N. Balcesco No. 22
Bucharest

Yugoslavia
Director
Exportprojekt
Cankaveya Cesta 5
P.O. Box 344
Ljubljana

Director
Interpublic
Meduliceva 2
P.O. Box 481
Zagreb

Director
Ozeha
Trg. Republike 5
P.O. Box 3
Zagreb

Hungary
Director
Presto Commercial and Advertising Agency
P.O. Box 120
Budapest 4

Bulgaria
Director
Bureau for Foreign Advertisement
11a Stamboulisky Boulevard
Sofia

These Have Tried

A number of companies from Western Europe and North America have advertised in technical journals and participated alone or collectively in Eastern European trade fairs. To date some 50 companies from Belgium, Denmark, France, the Netherlands, Italy, West Germany, Austria, Greece, Switzerland, the United States and Canada have advertised in Czech magazines, including such well-known firms as General Electric, Mannesmann Steel, Siemens, RCA, British Drug Houses Ltd., and Polymer Corporation of Sarnia, Canada.

Each year at the annual trade fairs, particularly in Czechoslovakia and Yugoslavia, a great number of Western companies exhibit, either collectively through associations or government-sponsored pavilions, or individually. Some 15 Canadian companies have had displays in the past two years at the Brno Trade Fair in Czechoslovakia on the Canadian Government stand; another ten exhibited at Zagreb in Yugoslavia. One Canadian company at least has entered the Hungarian Industrial Fair on its own.

Agencies

Except for Yugoslavia, there is only one advertising agency in each country; each is state-owned and has the sole right to accept ads for its country. Most of the agencies work very closely with the national chambers of commerce, which are also official organizations. In Yugoslavia there are some 18 advertising agencies but only the three largest are licensed to work with foreign countries. All the principal agencies in Eastern Europe will accept advertisements from foreign companies, help plan lectures and film showings, print and circulate literature, and erect exhibition stands. Their names are given in the box attached to this article. Some of these agencies have connections abroad and at least one has a Canadian advertising firm as its exclusive representative in Canada.

Costs

The cost of advertisements in the press varies considerably, depending on the journal used and the type of ad. For example, in Rumania the cost for black-and-white ads in a technical journal is $200 for a full page, $120 for a half-page, $70 for a quarter-page and $40 for one-eighth page. Cover ads vary in cost from $220 to $250 and when colours are used, each one costs an extra 25 per cent of the basic page rate. All the Eastern European agencies grant discounts on a certain number of insertions.

Generally speaking, in all East European countries advertisements must be in six to eight weeks before issue. Clients can supply their own printing blocks and other materials, but if the making of blocks, matrices, or artwork of any sort is carried out by the agency, the costs are said to be at the "current rates" —which means they are subject to negotiation between agency and client. The costs of other services—such as pamphlet printing, the drawing-up of mailing lists, or erection of stands—are subject to negotiation.

Any Canadian firm considering advertising in Eastern Europe may wish to contact the Commercial Counsellor, Canadian Embassy, Vienna. He and the Assistant Commercial Secretary make periodic visits to all the countries mentioned above and can institute preliminary inquiries about advertising any product. ●

Iraq Pushes Development

Industry, communications, petroleum and mineral exploration—al these have a place in current development plans. Engineering an construction firms from many countries seek opportunities in Iraq

W. B. WALTON, *Assistant Commercial Secretary, Beirut.*

THE current government of Iraq is making strenuous efforts to develop more industries and to exploit natural resources and improve communications throughout the country. The Economic Development Plan approved in December 1959 covers four years and has a budget of ID 400 million. Some ID38.73 million of this will be spent on about 109 industrial projects. Others come under the Iraqi-Soviet Union economic and technical co-operation agreement.

Planned Projects

To foster the growth of small industries, the Government has given aid to the Light Industries Company, a private organization. This company intends to establish factories to manufacture radios and television sets, paints, household appliances such as stoves and washing machines, and plastic components for electrical appliances, radios and telephones.

However, the great majority of industrial projects are being planned and executed with the technical or financial assistance of the Soviet Union and other Communist countries. Sites have now been chosen for the 13 industrial projects being established under the terms of the Iraqi-Soviet economic and technical agreement of March 1959. Once the designs have been completed and approved, individual contracts for the construction of each project will be signed. These include plants fo making:

Nitrogen fertilizer, at Basra

Electric light bulbs, Dora, wit capacity for 17 million bulbs year

Electrical motors and transformers, Wassiriyeh

Clothing, also at Wassiriyeh

Cotton textiles, Kut

Glassware, near Ramadi

Agricultural implements, nea Mussayib

Knitwear, Kut

Artificial silk, Hindiya; annua capacity, 2,300 tons of silk yar and 6,000 tons of fibres, to mee domestic needs

Woollen textiles; annual production 2 million square metres Power needs of this mill will b met by a transmission line buil from the new Basra power station at Nassiriyeh.

Projects Under Way

Development projects alread undertaken by Soviet organization include:

1. Supervision of construction o the Salman Park broadcasting station, the training of Iraqi personnel and the supply of broadcastin equipment worth 11.35 millio roubles.

2. Survey work for two dams on th Tigris and Euphrates Rivers, wit

apacities of 24 billion and 4 billion ubic metres of water, respectively. ome ID250,000 and ID150,000 ave been allotted to these surveys.

. Surveys for the improvement of avigation on the Tigris and Euhrates Rivers. The cost of survey ork and specifications is estimated t ID676,000. Construction itself is xpected to cost about ID11 million.

. Mineral exploration for phoshates and sulphur. A report will e submitted in the second half of 961.

. Petroleum exploration, including eismic surveys, of 400 square kiloneters of Iraqi territory.

. Survey work for the conversion f the existing Baghdad-Basra narow-gauge railway to standard auge. Conversion will cost ID25 illion, of which ID3 million is for arthworks, ID2 million for bridges, D7 million for rails and ties, ID3 illion for buildings, and ID10 milon for locomotives. It is expected hat it will take three years to omplete.

. The construction of five governnent farms and four tractor hire tations. Cost of the tractor stations vill total about ID1.3 million.

ther Countries Involved

Several other countries are also ndertaking assignments under the Development Plan. West German irms have contracts for constructing our regulators on the Gharaf River cost, ID3.4 million); for building he Karradah suspension bridge at aghdad, (cost, ID2 million, of vhich one-third is for steel to be upplied by an Austrian firm); and or building a bridge at Kut (cost, D1.13 million). A Danish firm is lesigning and supervising the contruction of two cargo vessels and Swedish consortium is looking after the first stage of work on the port at Um Qasr (cost, ID7 milion); total expenditure on the port is expected to be ID15 million. An Austrian company is supplying and installing pumping equipment at the Daydiyah pumping station near Baghdad (cost, ID78,000), and a British firm is doing the survey and design work for the Al Dalmaj irrigation and drainage project (total cost estimated at ID5 million). A Japanese firm is supplying carrier equipment for electric transmission lines.

Among the Eastern European countries which have been awarded contracts are a Polish firm, for design work for irrigation projects (ID300,000); a Czech organization, for construction of a liquid gas cylinder and spare parts plant at the Dora refinery (ID136,000); and a Hungarian company for consulting work on the Germat Ali bridge in Basra (cost estimated at ID29,000). A Yugoslav corporation is doing survey work and boring of wells for underground water.

Calls for Tender

Calls for tender issued during 1960 include requests for:

1. wooden railway ties

2. the supply and construction of a natural gas pipeline from Ramaila to Basra

3. the exploration of Iraqi territorial waters for oil (closing date February 1961)

4. an aerial survey of 180,000 square kilometers (no closing date)

5. the supply, erection and operation of a plant for the manufacture of pre-stressed reinforced concrete railway ties.

Tenders for equipment, consulting services and construction work are issued frequently by the Iraqi authorities, but Canadian consultants, contractors and manufacturers are finding it difficult to compete with firms from Europe and other countries which are often operating within the range of technical and financial agreements, involving long-term credits. ●

Iraq Studies Date Exports

IRAQ is endeavouring to improve the quality and consequently the sales abroad and the prices received for one of its chief exports, dates. Recently the Government set up the Iraqi Date Marketing Company, under the chairmanship of the director general of the Date Association (part of the Ministry of Commerce). The need for more effective quality control and marketing arrangements was demonstrated by the drop in exports of dates from 245,558 metric tons in the 1958-59 season to 165,510 in the 1959-60 season (up to May 31, 1960). Part of this drop, however, resulted from a fall in production. The 1960-61 crop in central Iraq promises to be good.

The Date Association, through its acting director, stated last April that export processing methods for the central area Zahdi dates and for almost half of the Basra dates were unsatisfactory and they therefore brought lower prices. The Association now is providing up-to-date machinery for washing, refining and packing dates and modern warehouses in which to store them, at a cost of about ID one million. An East German firm is supplying 14 pressing units and fumigating machines and a large tender for buildings and warehouses has been called.

The Association has also issued regulations governing date exports, including the following instructions:

1. Dates from previous crops may not be exported after September 1.

2. Date packing may be carried out only under licence issued by the Date Association.

3. All dates packed for export must be fumigated and inspected.

India has become the major market for Iraqi dates, followed by the Syrian region of the United Arab Republic, Communist China, and the United States. An Iraqi date delegation has toured Eastern Europe and Communist China and secured agreements from the Soviet Union to purchase 25,000 metric tons, from East Germany (20,000), from Communist China (65,000), and from Czechoslovakia (no figure given). About 2,587 metric tons of date juice have been sold to Syria, West Germany, and Saudi Arabia. Canada bought over $600,000 worth of Iraqi dates in 1959 ($936,145 in 1958) but only $8,601 in the first nine months of 1960.

—W. B. WALTON,
Assistant Commercial Secretary,
Beirut.

As the Businessman Sees It

Beginning with a newsprint mill in New Zealand this twelve-year-old Vancouver firm has marketed its engineering knowhow, particularly in pulp and paper, in some 35 countries; increased its scope.

Sandwell Se

ONE morning last fall Paul E. Cooper, executive vice-president of Sandwell and Company Limited, consulting engineers, was showing a visitor around the firm's spanking new headquarters. As they moved along "executive row", Mr. Cooper threw open one door after another to disclose empty offices. "This man is in Washington today," he remarked at the first stop and, as they progressed, "these men are in Zurich, Victoria, Tokyo, Portland (Oregon), Hong Kong, and Beloit, Wisconsin. Dick Sandwell, our president," he added, "is in Copenhagen."

This incident illustrates the world-wide interests of this twelve-year-old Vancouver firm. When Dick Sandwell founded the business in 1949, he intended to specialize in two fields—pulp and paper and thermal power. His assets: many years of engineering experience in pulp and paper, and plenty of drive and enthusiasm. From the beginning, the firm looked for business abroad and soon was doing about half its work in Canada and the United States and the other half in foreign countries. Today it is busy in about 35 countries, carrying out feasibility studies, designing some ten pulp and paper mills, supervising the construction of eight others, in addition to assignments in other fields. Nearly 70 per cent of its business now originates outside North America. From the original three, the staff of Sandwell and its associates has grown to about 700, including some 300 professional engineers.

To look after their widespread assignments and smoke out new projects when they are still in the planning stage, Sandwell executives must be highly mobile; the firm's bill for air fares alone in 1960 reached $200,000. Dick Sandwell himself spends about 80 per cent of his time abroad. (The company keeps the passports of its senior engineers up to date and makes sure that they receive the proper inoculations, so that they will be ready to travel anywhere on a day's notice.) Some years ago when Paul Cooper retired after twelve years as president of Crown Zellerbach Canada Ltd., Sandwell recruited him as executive vice-president. While his colleagues are flying wherever business takes them, Mr. Cooper "minds the store" and sees that the head office operation runs smoothly.

Tasman Biggest Project

The Sandwell organization's biggest overseas project came its way only three years after it made its debut. The assignment: to undertake the research for, design, and supervise construction of a $40 million newsprint, kraft pulp and sav mill for the Tasman Pulp and Pape Company at Kawerau, about 15 miles south of Auckland in New Zealand. The country's first newsprint mill, it was set up to use th large stands of plantation pine, species first imported from abroa and planted in the early 1920's an just reaching maturity. Dick Sandwell wasn't a complete stranger t this part of the world; he spent fou years in Tasmania in the 1940's a resident engineer during and afte the building of a newsprint mill fo Australian Newsprint Mills Ltd.

This Kawerau project turned ou to be a four-year job. It began wit feasibility studies, went on to drawing up the plans and the specifications for tenders, and finished wit the supervision of the various stage of construction. And it establishe Sandwell's reputation in New Zea-

A Sandwell engineer (right) discusses construction methods and procedures wit the contractor's Mexican foreman as work proceeds on Mexico's first newsprin mill, at Tuxtepec. Completed in 1958, it uses local pine and imported wood pulp.

ngineering Services

PAUL E. COOPER, *Executive Vice-President, Sandwell International Limited, as told to O. Mary Hill.*

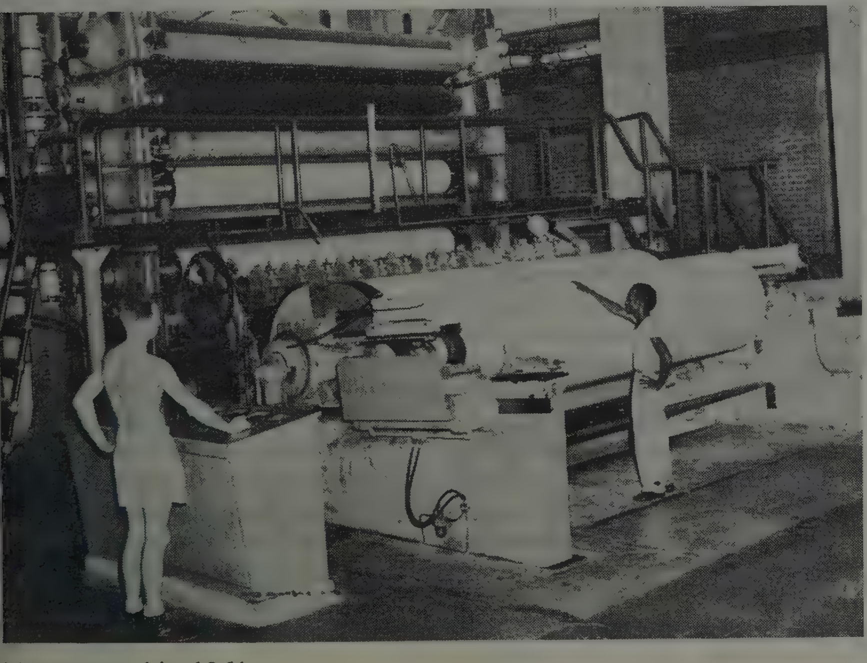
land so firmly that the firm later built the first tissue paper mill there for Caxton Paper Mills, adjoining the Tasman plant. And it is now retained as consultant for three of the New Zealand pulp and paper manufacturers.

Problems in Pakistan

Looking back, the Sandwell people recognize that this project was simple compared with one that the firm undertook in 1954. The Pakistan Industrial Development Corporation laid before Sandwell its proposal to set up a pulp and paper mill at Khulna, 70 miles inland from the Bay of Bengal in East Pakistan. It wanted to use as raw material the gewa tree, a tropical hardwood that flourishes in the Sunderbans forest in the swampy delta area of the Ganges and Brahmaputra Rivers. Some 30 per cent of the one-and a-half million acres on which this tree grows is always under water and the forest also shelters tigers, crocodiles, deer, pigs and monkeys. In fact, the first step in making the necessary raw material studies was to teach the Bengalis how to row! The forestry crews had to be housed on boats and all supplies brought in. Sandwell also had to commission research studies to find out whether the gewa tree would produce a satisfactory newsprint; when this question was answered satisfactorily, its mill was the first, it claims, to make newsprint from tropical hardwood. The newsprint produced is of excellent quality; it is not only used in Pakistan itself but is sold to Singapore and Ceylon.

Later, when the construction of the mill began, about 40 Sandwell engineers were based at Khulna, some of them for as long as three years, and were busy coping first with flooding and foundation problems. The company had to provide homes for them, a hospital supervised by a British doctor and, of course, a school for their children. Dick Sandwell estimates that this Khulna project brought about $8 million to Canada; in addition to its own consulting and supervising services, a Canadian company won the construction contract and some of the equipment was bought in Canada.

The first newsprint ever made in Pakistan is wound on the reel of the machine at Khulna, as a Canadian operator and a Pakistani trainee stand by. Sandwell regards Khulna as the most difficult assignment in the firm's twelve-year career.



Provide Management Services

When the mill was completed in July 1959, Sandwell and Company undertook to manage it for two years. The management contract included looking after the forests, training staff, and marketing the product. Originally 51 Canadians were needed to operate the mill but there are now only 18; Pakistanis are gradually taking their place. Recently the firm signed a management contract for another three years.

Providing management services has become the concern of a separate Sandwell division, staffed by senior executives with years of experience in the industry in North America or Europe. Their know-how proves particularly useful in projects like the Khulna one, where manufacturing pulp and paper is a completely new undertaking, or where new materials or processes are being employed. At the moment, Sandwell is also managing mills in Ceylon and in France.

Latin America has also provided opportunities for the Sandwell organization. Its first large project there was a newsprint mill at Tuxtepec, Mexico, completed in 1958. It has also engineered two mills to make pulp from bagasse—one in

Colombia for the W. R. Grace organization and one in Puerto Rico. Currently, it has feasibility studies under way in Peru, Chile, Argentina and Brazil.

Contracts in Europe

It is not surprising to find that Sandwell's pulp and paper experience is in demand in countries just at the "industrial take-off" stage. It is unusual to discover that its current work-load is heaviest in Europe and especially in the Scandinavian countries, whose expertise in this field is recognized. Originally Sandwell did consulting work in this area and in 1954 designed a paper machine for turning out machine-coated groundwood magazine and printing papers at a 150-year-old paper mill in Sweden. In explaining his success there, Mr. Sandwell points out that the Scandinavian countries have plenty of well-trained consulting engineers but few firms that carry on an integrated operation like his own. In a speech to the Swedish Paper and Pulp Engineers Association, he put it this way: "The same engineers, designers and draftsmen learn, by working together year after year, how to do their work effectively and quickly. They develop group skills which enable them to do their work well, and to recognize problems and possibilities which can escape those with less extensive experience."

His success in northern Europe—before long he had acquired 15 to 20 clients—led directly to the setting up of a Scandinavian subsidiary in July 1959, Sandwell Aktiebolag, with offices in Stockholm. Wholly owned by the parent company, it looks after work in Sweden, Norway and Finland and has about 50 engineers on staff. It has also helped to overcome the slight handicap of distance and to give clients speedy service.

Work in Europe is not confined to Scandinavia. The Sandwell firm was commissioned a few years ago by the Organization for European Economic Co-operation to survey the possibilities of establishing small pulp mills in Europe. It has also carried out assignments in Belgium, Austria and France and is currently investigating projects in France, Germany, Spain and Portugal. More interesting still, it has just completed feasibility studies for the first chemical pulp and paper mill in Britain, at Fort William, Scotland. After the First World War softwood seedlings were taken from B.C. forests and planted in this part of Scotland. They are now ready to be used as pulpwood in a completely integrated mill on this site.

Organization Broadens

The formation of the Scandinavian company was only one in a series of affiliations and advances as the Sandwell interests and scope broadened. The first expansion was in the United States in 1950, the year after the firm was born, with the formation of Sandwell & Co. Inc., a separate corporation with head offices in Seattle, Washington, to serve clients in the United States. About 25 per cent of the Sandwell business originates across the border; in 1955, the firm completed a $6 million kraft linerboard mill at Albany, Oregon, for the Western Kraft Corporation and in 1957 finished both a $26 million kraft paper and linerboard mill at Toledo, Oregon, and an $18 million bleached kraft paperboard mill at Filer City, Michigan.

In July 1958 Sandwell International Incorporated was established in the State of Oregon and the head office of Sandwell's United States company was moved from Seattle to Portland, Oregon.

New pulp and paper projects, because of their high capital cost, call for thorough engineering. First come technical and economic studies to determine the feasibility of a project and to establish the base for financing it. Raw material surveys bulk large in these studies. At first Sandwell "jobbed out" these surveys but in June 1958 the firm bought a part interest in Forestal Forestry and Engineering International Limited, Vancouver, so as to integrate its own knowhow with forestry engineering.

The first affiliation was dictated by the broadening of the firm's interests, especially in hydro-electric power. In 1955 it entered into an affiliation with a Swiss firm specializing in this field, Electro-Watt Electrical and Industrial Management Co. Ltd., of Zurich. Two years later, in June 1957, it purchased outright Hanright and Company, St. Catharines, Ontario, specialists in the design and supervision of construction of facilities for the generation, transmission and distribution of thermal-electric power. Hanright had previously carried out some Colombo Plan work for the Government of Canada—the building of three power plants in East Pakistan. At the moment Sandwell is working on a thermal power plant at Hyderabad, West Pakistan, using gas from the Sui fields.

A further step in the rounding out of the Sandwell organization was taken two years ago—affiliation with another Vancouver firm, Swan, Wooster Engineering Co. Ltd., with solid experience in hydro-electric developments, bridges and marine structures, and systems for the handling of bulky materials.

The latest development in Sandwell's expansion program is the establishment of a wholly-owned subsidiary, Paperconsult Limited, in Zurich, Switzerland, to handle engineering work for Continental Europe. The head office of this company was set up and opened on January 1, 1961.

For Service Abroad

Like other engineering organizations, Sandwell long since discovered that foreign contracts present certain special problems. But Mr. Cooper makes clear that getting suitable personnel to carry out assignments abroad is not nearly as difficult as the layman supposes. As the firm's reputation has grown, its files have begun to bulge with applications from men who would like to work for it in foreign countries, particularly management personnel. The Sandwell selection system is to require a candidate first to prove his professional competence. It then investigates his personal qualities, particularly adaptability. If the job is to last a year or more, the man's family goes with him and the wife too comes in for an interview with the firm. Engineers and technical staff working abroad are offered special incentives, such as bonuses, servants, etc., and housing is provided for them. If the country and living conditions warrant it, they may receive a higher rate of pay. About 40 Sandwell engineers are usually working overseas at any one time; this figure does not include those engaged in management.

The question of getting wind of engineering opportunities in other countries early enough to put in proposals is a more difficult one. Dick Sandwell acknowledges that he uses the Canadian Trade Commissioners as a source of this type of commercial intelligence, but he also spends a good deal of his time personally scouting for new business and keeping in touch with the World Bank, the International Finance Corporation, the UN Special Fund, the International Development Fund and other sources for financing engineering projects.

Sandwell accepts only contracts stipulating payment by confirmed letter of credit in dollars or any other convertible currency. This has naturally limited its overseas activities because certain under-developed countries, if they cannot secure World Bank or other international financial backing, offer to pay for services in local currencies. The new export credit financing facilities offered by the Canadian chartered banks may help it to compete more easily against engineering firms in Britain, the United States, Germany, and other countries.

The achievements of Sandwell and Company in its twelve years, like those of similar Canadian firms, have enhanced Canada's international reputation in the engineering field and have demonstrated the increasing scope for exporting engineering services and know-how. ●

Fairs and Exhibitions

Gala Exhibition in Britain

THE Department of Trade and Commerce will enter a large Canadian exhibit in the 1961 Daily Mail Ideal Home Exhibition, Britain's biggest show. The exhibition will be staged in Empire Hall and National Hall, Olympia, London, from March 7 to April 3. Five million dollars worth of direct sales plus $12 million in firm orders resulted from recent shows, and subsequent orders for goods displayed at the exhibition by the different countries were estimated at $120 million. One-and-one-half million people visit the exhibition every year, 95 per cent of them adults, approximately half of them between the ages of 16 and 34. These are the potential homemakers.

The Canadian exhibit in 1960 was a great success in terms of sales, and sales in 1961 are expected to be even larger. There will be 87 individual booths for Canadians participating and a composite area for 46 exhibitors; all space has been allocated for this year. B. C. Butler, Minister (Commercial) in London, with a team of Trade Commissioners from Canada House and assisted by commodity experts from the Department of Trade and Commerce, will be in attendance throughout the exhibition and booths will be manned by representatives of the exhibiting firms. Among the fields covered by the displays are: heavy appliances, including washers and automatic dryers; oil furnaces; golf clubs; orlon sweaters, children's and women's dresses, fabrics; freezers; hardware; bathroom fixtures; jewellery; toys; leather goods; canned meats, fish, pickles, fruits, vegetables; cheese; flour and cake mixes; water heaters; outboard motors; hi-fi units; honey; nuts and candy. A fashion show has been planned.

Canadian exports to the United Kingdom increased 20 per cent in the nine months of 1960, due in part to the removal of most of the import restrictions on processed foods and consumer goods.

Sporting Goods at Chicago

THE National Sporting Goods Show, held in Chicago January 22 to 26, is the largest of its kind in the world and attracts about 12,000 buyers. Canada entered the show for the fourth time this year with a collective display in the Canadian sample room. About

4,200 buyers came to see the products of about 35 Canadian sporting goods manufacturers—the widest range of Canadian sporting goods ever assembled under one roof.

Exhibitors felt that they displayed some of the world's finest summer and winter sports equipment, as well as fashionable sports garments for both outdoor and indoor wear. For winter sports, the display featured equipment for hockey, ice skating, skiing, snowshoeing, tobogganing, curling and sledding, and for spring, summer and fall, equipment for baseball, hunting and fishing, roller skating, water skiing, croquet and camping. New styles and new advances in manufacturing skills were demonstrated.

The Canadian booths were manned by staff from the various firms exhibiting and commodity specialists from the Department of Trade and Commerce were also on hand, all anxious to promote Canadian products. Among the new displays in the exhibit was one from the Department of Northern Affairs, showing Eskimo kayaks, duck decoys and parkas. Many Canadian buyers visit the show and buy from Canadians exhibiting there, so it serves a double purpose. Canadian organizers also put on a "Canada Night"—a reception to which buyers were invited. Each exhibitor was given 30 invitations to send out to U.S. buyers, and duplication of invitations was avoided.

Milan Fair Invites Visitors

THE 39th International Samples Fair, Milan, is taking place this year from April 12-27. During the fair, a special office of the Italian Institute of Foreign Trade, installed in the Hall of Nations International Trade Centre, will be at the disposal of exporters and importers. The Institute will provide practical assistance and advice on all matters covering trade between Canada and Italy, with a view to establishing new contacts. Canadian businessmen interested in attending this fair should write the Commercial Counsellor, Italian Embassy, 172 MacLaren Street, Ottawa, well in advance.

Canadian Pelts in Europe

THE European fur industry is showing a great deal of interest in Canadian furs and two big fairs scheduled for April of this year are eagerly anticipated by buyers who remember Canada's excellent exhibits last year. The Fur Industries Salon will be held in Paris, April 12-17, and will be followed shortly afterwards by the European Fur Fair, Frankfurt, April 20-23. To these shows come all the serious fur buyers in Europe; 316 visitors made inquiries at the Canadian stand at Frankfurt last year and many of them asked for the names of Canadian brokers. Attendance was up by 40 per cent over 1959 to a total of 12,500. All saw the raw and processed pelts from wild and ranch animals displayed by the Canadian Government, which is making a big effort to show diversified shades and mutations of mink available from Canadian producers, as well as all types of wild fur, and ranch silver fox pelts. Both Germany and France are important fur consumers. The Paris Fair, almost experimental last year, turned out to be a great success and a much more ambitious program is planned for this year.

Canada in the Swim

THE enthusiasm which Canadians have shown for boating and all its accompanying summertime activities was transplanted to Earls Court, London, for the International Boat Show, held this January for the sixth consecutive time since 1955. Widespread prosperity in Britain and a bad road-congestion problem have both helped to make pleasure boating a booming business there. Into this market, and aided by free entry which gives them a 10 per cent advantage over non-Commonwealth suppliers, Canadian manufacturers are begining to channel their products. The Canadian exhibit this year, organized by the Department of Trade and Commerce, displayed the products of 27 Canadian manufacturers. Outboards and inboards made of fibreglass and mahogany, plus outboard motors and canoes, bulked large in the display. Camping equipment, fishing rods and lures, water skis, marine hardware and supplies—the many products which help meet the requirements of the Canadian outdoor family—were placed before the eyes of buyers from the U.K. and Europe. In 1960, 320,961 business visitors came to the show, and 180,000 of the general public; Canadian design seemed to make a real impact.

At the Metal Congress

THE National Metal Exposition and Congress which took place last year in Philadelphia from October 17 to 21 was broad in concept and included displays from firms which produce base metals, carry out metals fabrication, and manufacture machinery, etc. Fourteen Canadian firms exhibited to an Exposition attendance of over 40,000. The importance of this show lay in the direct appeal made to a growing market in the United States and Canada, and from the firms which exhibited gratifying reports of good business were received.

New vistas have been opened in mining and engineering products and Canada's exhibit in the 42nd annual show introduced some significant new contributions. The world's first uranium alloy steel—a corrosion-resisting uranium-bearing steel link-chain, the product of special research—was displayed.

An economically-feasible method of powder metallurgy, developed in Canada, uses a supersonic air blasting technique capable of many applications; this technique was introduced at the Exposition. High-strength steels, rolling machines, gas-separation plants (in model form), rarer minerals, special alloys, electrolytic cells, triodetic connectors, ball bearings, powders and processing equipment were all displayed.

International Fairs

BELGIUM—Brussels International Fair, April 30-May 11. Apply: Brussels International Trade Fair, Palais du Centenaire, Brussels.

CEYLON—The Ceylon Industries Fair, Colombo, March 17-April 8. Apply: L. W. Fernando, Ceylon Chamber of Industries, 4th Floor, Hemas Building, York Street, Colombo, Ceylon.

GERMANY—German Industries Fair, Hanover, April 30-May 9. Apply: Deutche Messe und Ausstellungs A.G., Messegelaende, Hanover.

—Frankfurt International Fair, Frankfurt, March 5-9. Apply: Frankfurt International Fair, Messe Amt Frankfurt/Main, Festhalle.

SOUTH AFRICA—Rand Easter Show and Industrial Exhibition, Johannesburg, March 21-April 3. Apply: Rand Easter Show, Witwatersrand Agricultural Society, Show Grounds, Milner Park, Johannesburg.

UNITED STATES—United States World Trade Fair, Coliseum, New York, May 3-13. Apply: U.S. World Trade Fair Inc., 331 Madison Avenue, New York 17, N.Y. This is the fifth annual show, and last year it had 3,000 exhibits from 65 nations. There were 169,000 businessmen visitors and 392,000 of the general public.

Vertical Fairs

AGRICULTURAL, INDUSTRIAL—Western Provincial Agricultural and Industrial Show, Cape Town, Union of South Africa, February 24-March 4. Apply: P. J. Jooste, Manager, P.O. Box 7, Goodwood, Cape Town.

ENGINEERING—Engineering, Marine, Welding, Atomic Energy Exhibition, Olympia, April 20-May 4. Apply: Above exhibition, c/o F. W. Bridges & Sons Ltd., 641 Grand Buildings, Trafalgar Square, London.

ENGINEERING DESIGN—Design Engineering Show, Detroit, May 22-25. Apply: Design Engineering Show, c/o Clapp & Poliak, 341 Madison Avenue, New York 17, New York.

PLASTICS—Europlastica 61, Parc, Ghent, Belgium, June 16-27. Apply: M. Nevan DuMont, 123 Pall Mall, London S.W. 1, or the General Secretariate, Palais des Florailies, Parc, Ghent, Belgium. This is the first of a series of plastic exhibitions which will be held annually in five of the countries of the Common Market.

Automation Industry Exhibits

THE Norwegian Industrial Development Association is organizing its third International Instrumentation, Control and Automation Exhibition (Automatica III) to be held in Oslo, May 24-31. The Exhibition will feature instruments and equipment for measurement and process control in the chemical and engineering industries, and the mechanization and automation of general work operations. Any foreign manufacturer may exhibit, irrespective of business representation in Norway. Deadline for the receipt of space reservations is March 1, 1961, but the exhibition hall is not large and applications should not be delayed; they may be directed to Studieselskap for Norsk Industri, Forskningsveien 1, Blindern, Oslo, Norway. The cost of booth space is quoted at 150 Norwegan kroner per square meter (one kroner=Can.$0.14). This is the third of a series of exhibitions held under the auspices of the Development Association and the plan is to hold study conferences during the exhibition. The majority of visitors will be Norwegians who are directly engaged in improving production methods and planning expansion.

Swiss Fair at Basel

SWITZERLAND'S national industrial fair, the Swiss Industries Fair, will take place April 15 to 25 in Basel. It will be the 45th staging of this fair and its 2,300 exhibits will cover an area of 1,420,850 square feet. On display will be practically every type of equipment for making consumer goods and many categories of capital goods. The 21st Swiss Watch Fair will take place within the framework of the larger fair.

Full information, catalogues, identity cards, etc., can be obtained from the Swiss Embassy in Ottawa, Swiss consulates in other parts of Canada, or from the Fair Administration, 61 Clarastrasse, Basel 21, Switzerland.

Trade Commissioner on Tour

In Territory

R. M. DAWSON, Vice Consul and Assistant Trade Commissioner in Manila, the Philippines, will visit Cebu, Iloilo, and Davao in the southern Philippine Islands from February 13-22.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Sofia, Bulgaria, from March 6-11.

G. A. NEWMAN, Commercial Counsellor in New Delhi, will visit Madras from February 12-17, and Hyderabad and Bangalore from March 13-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from March 20-23.

W. B. WALTON, Assistant Commercial Secretary, Beirut, will visit Amman, Jordan, from February 12-19, Baghdad, Iraq, from March 5-12, and Kuwait and Bahrain, about March 15.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Dawson at Manila, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Newman at New Delhi, and Mr. Walton at Beirut.

Some of this tobacco being harvested on a Canadian farm may find its way to West Germany, for use in blended cigarettes. Canada's sales of Virginia-type tobacco to Germany in first seven months of last year reached 555 metric tons.

West German Market for Tobacco

Germans are smoking more and more cigarettes; postwar taste has switched to blended types. Tobacco purchases from Canada rising slowly, but threatened by Common Market competition, growing German production costs.

MALDWYN THOMAS, *Vice Consul and Assistant Trade Commissioner, Hamburg.*

GERMANS are not yet the world's heaviest smokers, although the consumption of tobacco products has risen again rapidly, following the almost complete collapse of the industry at the end of World War II. Per capita figures are the highest ever and it is expected that the total amount of tobacco smoked in Germany will soon exceed the figures for the more densely populated German Reich at the beginning of the war. Yearly cigarette consumption per capita has now reached 1,202 units. However, when this is compared with the 2,500 per capita in the United States, it is obvious that the German market still has considerable room for growth.

Cigarettes have markedly increased the dominant position they attained in prewar Germany. But they are not the same kind of cigarettes that were smoked twenty years ago; the Allied occupation brought about a revolution in taste. Before World War II, over 90 per cent of the cigarettes the German public smoked were made from Oriental tobacco. Following the capitulation in 1945, the only cigarettes available were those supplied by British and U.S. soldiers. As a result, blended cigarettes have almost completely replaced the Oriental type and a market has been opened up for North American type Virginia tobacco, almost all of which must be imported.

Cigarette Consumption Up

Tobacco in Germany is used mainly in cigarettes, cigars, fine-cut, pipe tobacco, chewing tobacco and snuff, in that order. Cigarettes lead all other forms and they have not only benefited from the increase in tobacco consumption but have also grown in popularity at the expense of other forms of tobacco smoking. In 1959, cigarette sales of 64.8 billion units accounted for 82.4 per cent of the total sales of tobacco products by value. The rising standard of living, the popularity of filter-tip cigarettes with women, and the drop in cigarette prices in June 1953 as a result of a decrease in the cigarette tax have all contributed to the growth in cigarette smoking. Cigar sales, which have declined over the past ten years, accounted for 13.4 per cent of turnover; the remaining 4.2 per cent was divided among fine-cut, pipe tobacco, chewing tobacco and snuff. The postwar trend to blended American-type cigarettes has been accompanied in the last three years by a marked increase in the consumption of filter cigarettes; they were first introduced in 1956 and today hold approximately 70 per cent of the market. Last year's cigarette production represents an increase of 7.1 per cent over the previous year. This rate of annual growth has remained fairly steady since the end of the war and there is no reason to doubt that it will continue, or perhaps accelerate, in the years to come.

Domestic and Imported Tobacco

Although a large portion of the tobacco used in the industry is imported, a considerable quantity is grown in Germany itself—approximately 21 per cent of the total used in 1959. The increasing popularity of cigarettes—which use only a small portion of German tobacco—has resulted in a slight decrease in the domestic tobacco crop over the past few years, as Table I shows. The main uses for German tobacco are the cigar industry, which normally takes some 64 per cent of the local crop, and fine-cut and pipe tobacco, which between them take 22 per cent. Another 14 per cent is used in the German cigarette industry for the production of the so-called "black" or "brown" cigarettes. These, however, have only accounted for approximately 4 per cent of annual German cigarette consumption in the years since the war. The size of the domestic tobacco crop will probably not increase in the future, but neither is it expected to decline much because the German tax structure encourages the use of a fixed percentage in cigars, fine-cut, lower-priced pipe tobacco and in the dark cigarettes which are sold for Pf. 7½ per unit.

TABLE I—RAW TOBACCO CONSUMPTION IN WEST GERMANY

Year	Total foreign tobacco	Of which: Virginia	Burley	Total domestic tobacco
1953	62,475.0	22,031.1	3,191.0	22,989.8
1954	68,230.4	22,556.1	3,034.9	19,752.9
1955	72,589.3	23,795.9	3,109.4	18,979.3
1956	76,996.2	24,846.6	3,630.0	18,412.8
1957	81,143.5	25,116.7	4,143.3	19,049.3
1958	86,029.0	25,269.3	4,160.5	18,534.0
1959	90,495.9	25,079.6	3,826.0	17,570.3

Canada's Sales Rising

Cigar and pipe tobacco imports come mainly from sub-tropical regions and do not seem to offer a very promising market for Canadian tobacco producers. The cigarette industry, on the other hand, does represent a market of current interest to the Canadian tobacco industry. As Table II indicates, Canadian tobacco exports to Germany, although small, have been rising gradually; all of it goes to the cigarette industry. There are a great many other suppliers because nearly all of the cigarette tobacco must be imported. As blended cigarettes continue to dominate the market, North American type tobaccos play a leading rôle. At present tobacco imported into Germany comes from the following sources:

39.7 per cent—United States
44.68 per cent—Greece, Turkey, etc.
12.53 per cent—foreign substitutes (usually similar to U.S. tobacco)

The importance of these ratios becomes clearer when one considers that before the war only 2 per cent of German tobacco needs came from North America. The cigarettes that U.S. troops gave or sold to the German population when nothing else was available established Virginia and Burley tobaccos as important components of German cigarettes. This pattern has held and, if anything, has shifted further in favour of blended cigarettes.

German blended cigarettes consist normally of approximately 40 to 50 per cent Oriental, 50 per cent Virginia, and up to 5 per cent Burley tobacco. American Burley and flue-cured Virginia set the quality standard for these types of tobacco and traditionally command the highest prices. All other Burley and Virginia tobaccos, including Canadian, are regarded as substitutes and generally fetch lower prices. Imports of tobacco from Canada to date have consisted almost exclusively of flue-cured Virginia tobacco; we have not yet had much success in selling Burley. The German view is that it is difficult to find substitutes for American Burley and the Canadian type has not been considered satisfactory. Although Canadian Virginia is regarded as a substitute for, and not the equivalent of, American tobacco, some German consumers concede that it has a flavour of its own. As imports from Rhodesia and Italy consist of more neutral-flavoured substitutes, Canada may benefit in the long run if it can establish a reputation as a supplier of a quality tobacco with its own distinct flavour.

Competition Becoming Stiffer

The German tobacco industry wants only quality tobacco and the supplier who would succeed will see to it that his tobacco is of a uniformly high quality and that it is carefully selected, packed and

TABLE II—IMPORTS OF RAW TOBACCO INTO GERMANY

	1956		1957		1958		1959		January-August 1960	
	Quantity*	Value†	Quantity*	Value†	Quantity	Value	Quantity	Value	Quantity	Value
Total imports:	69,477	39,278	75,496	42,601	76,562	43,593	79,506	43,685	54,846	30,415
From										
Bulgaria	1,898	824	2,029	669	1,948	844	2,535	1,151	1,691	749
Greece	15,128	9,343	16,936	9,418	17,345	9,382	16,027	8,692	10,382	5,591
Italy	1,466	500	2,290	901	2,802	1,168	4,059	1,697	3,483	1,645
Turkey	6,511	4,040	6,158	4,108	5,918	3,481	4,629	2,477	2,764	1,691
Rhodesia and Nyasaland	893	378	1,348	510	2,055	892	5,040	2,339	4,144	1,623
Brazil	4,222	1,391	4,612	1,585	3,974	1,155	3,895	1,131	2,709	978
Colombia	2,573	653	3,023	795	2,905	756	2,911	621	1,715	337
Indonesia	3,270	3,800	3,138	4,023	2,927	3,365	3,436	2,905	2,670	1,854
Japan	58	24	32	13	811	328	1,857	869	1,429	700
United States	27,828	16,598	29,079	18,312	28,260	19,507	26,783	19,045	18,004	13,007
Canada	301	131	890	409	1,171	613	1,174	511	555	307

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*Metric tons
†DM1,000

shipped. Japanese tobacco, for example, appears to sell more on the strength of its excellent selection and grading than anything else. It is also important to offer reasonable terms to German buyers. The trade here expects cash against documents or better terms.

Despite the good outlook for Virginia-type tobaccos, competition on the German market is expected to become more severe and North American suppliers may well feel the brunt of it. In the past four years, growers in other parts of the world have begun to raise Virginia-type tobacco. Efforts in Rhodesia and Italy have met with considerable success, as the import statistics in Table II show. German cigarette manufacturers are quick to praise the quality of the Virginia substitutes from these two areas. Italy has developed a mild Burley which is used successfully as a Virginia substitute.

Italy's competitive position on the German market is furthermore improved by the tariff reductions on raw tobacco being made within the Common Market. At present the German most-favoured-nation tariff is a specific one of DM180 per 100 kilos. Italy currently benefits from the 20 per cent reduction made to date. Further reductions will be forthcoming until eventually Italian tobacco will enter the German market duty-free. Greece is also considering associating itself with the European Common Market. Any special arrangements made for the entry of Oriental tobacco from Greece would tend to complicate matters further. On January 1, 1961, the first steps were taken to introduce the common external tariff. After considerable negotiation, the Ministerial Council of the Common Market proposed in September 1960 to set the new external tariff at 30 per cent ad valorem, with maximum and minimum limits of U.S.$42 and U.S.$29 per 100 kilos. Because of the ad valorem nature of this proposed tariff, imports of expensive quality tobacco from North America would tend to be more heavily burdened than tobacco imports from other sources. There have been strong objections to this proposal from tobacco suppliers outside the Common Market, particularly from the U.S., and it is by no means certain whether the proposal will actually be put into effect in its present form.

Costs May Curb Imports

Although the German cigarette industry is eager to use the highest quality tobaccos it can obtain, cost factors other than those associated with the proposed Common Market tariff may also affect imports. The price of cigarettes in Germany is controlled by the Federal Government and since 1948 the portion of this price allotted to the manufacturer has not increased. The benefits of tax reductions in 1953 and 1957 were passed on to the consumer and did not affect the manufacturer. Production costs, however, have been rising steadily. Cigarette manufacturers claim that they have rationalized their activities as much as possible and they now fear that the only place left to them to effect savings is in raw materials. If German cigarette manufacturers do not obtain any relief and are forced to buy the cheapest raw material available, there is a danger that sales of quality tobacco from North America may be seriously affected.

In summary, the outlook for imported tobacco on the growing German market, particularly Virginia tobacco, is good. The Canadian tobacco industry has an excellent opportunity to increase its sales in a country where quality tobacco is appreciated. At the same time, we must not deceive ourselves about the measure of competition we shall have to face in years to come. Strict attention will have to be paid to quality and packaging, but price will undoubtedly assume an increasingly important rôle. ●

Furniture Dimension and Components

U.S. furniture manufacturers are lowering costs by using prefabricated precision wood parts. This presents Canadian producers of hardwood parts with good sales prospects, especially in California. Here is advice on exploiting this opportunity.

C. S. COLLINS, *Commercial Assistant, Los Angeles.*

UNITED STATES manufacturers of furniture, toys, radio and television cabinets, caskets, and other assembled wood products are using purchased prefabricated precision wood parts more and more. Annual sales of these parts in the hardwood dimension field alone now total a reported $40 million. California has become a particularly good market for these because it leads the U.S. in furniture sales and, in fact, widened the gap separating it from its nearest competitor, New York, by $21 million in 1959, with furniture sales valued at $237.1 million. This figure represents 10.8 per cent of the national total. California also ranked first in sales of upholstered furniture in 1957 worth $66.7 million, or 10.7 per cent of the national total.

Barring unforeseen developments, Western furniture manufacturers can expect their sales to continue rising much more rapidly than in the rest of the country. Facts and figures published by the Census Bureau bear this out: California's population between the 1950 census and July 1, 1958, increased by 3.7 million to 14.28 million, or 34.9 per cent. It is the fastest growing state and is now solidly entrenched as the second largest and is catching up rapidly with New York.

Costs Influence Sales

The cost of furniture manufacture in California, as in most parts of the country, has been increasing steadily, not only because of the high cost of labour, factory space and equipment, but also because of the heavy freight costs on hardwood brought in from the Southern States. These factors have contributed in great measure to a substantial increase in the use of purchased wood components by furniture manufacturers. A number of small and medium-size woodworking plants in Virginia, Louisiana and other Southern States where hardwoods are produced now specialize in supplying furniture manufacturers in California and other parts of the country. Some of these wood specialty plants even maintain technical personnel to assist the furniture manufacturer in determining the most appropriate species of wood, grade and size. These experts also suggest the degree of prefabrication for the components which, in their opinion, is best suited to the manufacturer's requirements, taking into account the greatest economy in delivered cost. All unusable waste is eliminated at the woodturning plant to hold freight costs to a minimum.

Advantages of Components

Several years ago the National Association of Furniture Manufacturers made a survey among furniture-makers throughout the United States and Canada to determine the advantages and the extent of use of purchased prefabricated wooden components. Questionnaires were mailed to furniture manufacturers and replies received from 126 firms. Of these, 55 per cent said they used components and 45 per cent said they did not. Users of purchased components listed the following principal reasons for doing so:

- More economical to use than if made by the furniture manufacturer
- Reduces capital investment in additional and expensive woodturning machinery
- Waste eliminated
- Assures a definite component cost known in advance.

Even the non-users of component parts stated that the dimension industry should do a better selling job to get more business. The survey indicated conclusively that woodturning plants can give invaluable service to furniture manufacturers and that greater use of purchased components is inevitable.

Methods of Buying

In Southern California, small furniture manufacturers usually find it more advantageous to purchase their limited requirements of components from commission agents who charge the woodturning plants a commission ranging between 5 to 8 per cent on sales consummated. The woodturning plants handle all billing and collections. The larger furniture manufacturers, because of their substantial requirements, prefer to deal direct with the woodturning plants. At least one large firm reportedly buys approximately $250,000 worth of birch panels annually from two plants in Eastern Canada and its executive vice-president makes periodic trips to Canada to seek out additional suppliers of maple, ash and other hardwood glued-up panels.

Japanese Suppliers

Japanese woodturning plants have been quick to realize the potential market for hardwood furniture components in California. During the past few years, substantial quantities of furniture legs fully machined and ready for assembly and staining have been shipped from Japan to California. It is estimated that almost 90 per cent of wooden legs that furniture plants in California now use come from Japan. The Japanese are also supplying increasing quantities of chair frames (usually of spruce) which compete successfully with alder frames from Washington and Oregon or magnolia frames from the Southern States. Table I gives prices of Japanese furniture legs and chair frames which have been quoted recently.

Wide Variety of Components

Components used may be in the form of squares, flat stock, rounds, billets or shapes of infinite variety, completely machined or semi-machined to the specifications of the purchaser.

Casket components and dimension lumber are supplied to many small plants making cloth-covered caskets and to a few which make the natural wood-finished ones. All the basic parts of a casket—the top curved panels, sides, ends, rims, ledge, bays, corners, panel and bottom—are supplied by woodturning firms ready for assembly by the casket makers. Casket manufacturer in this part of the country usuall use redwood from Northern California which they purchase cut t size. They also use fairly large quantities of plywood for shipping cases bought from the Southern States an the Midwest.

Import Duties

Although Canadian woodturner probably cannot hope to compet with Japanese suppliers of furnitur legs or chair frames, it is importan to note that Canadian suppliers ca and do sell very substantial quantities of hardwood lumber and dimension stock to California. These ente the United States duty free and ar subject only to an import tax o $1.50 per 1,000 board feet. It i much more difficult to be competitive on such things as casket parts billets, handles or furniture parts which have been machined o finished to a degree which identifie them as exclusively for use in furniture. All of these items are subject to U.S. import duty averaging 16 to 17 per cent ad valorem.

Table II shows the quantities o hardwood billets, blocks, dimension stock and birch and maple lumbe shipped from Canada to the United States for the periods indicated.

Reaching the Market

From discussions with furniture manufacturers, commission agents, the Furniture Manufacturers Association of California, and others, it appears that present sales of Canadian furniture dimension in California could be increased. Canadian suppliers should concentrate their sales efforts on the items mentioned above that are free of U.S. import duty and made of hardwoods only. Canadian softwoods, generally speaking, are not competitive with production in Oregon and Washington. The long freight haul from Eastern Canada to Southern California does not present any serious problem, because furniture manufacturers here are obliged to buy

TABLE I—PRICES QUOTED BY JAPANESE*

Square, tapered legs (birch or spruce) complete with dowel screw and glide, finished (i.e. dipped, not sprayed) for use in box springs, sofas, etc.

Length	Price	
3″	$0.09	Basis of quotation f.o.b. nearest West Coast port of entry.
4″	0.10½	
5″	0.12	
6″	0.14	
7″	0.16	

Japanese chair frames (spruce or birch) Swedish-style, finished (i.e., dipped, not sprayed). Assembled, comprising two arms, legs, base and back.

$12.95	f.o.b. nearest West Coast port of entry.

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*Quotations are for minimum quantities of 5,000 units.

TABLE II—CANADIAN SHIPMENTS TO THE U.S.

	Volume	Value
Billets, blocks, squares and dimension stock, hardwood		
1958		$ 1,563,694
1959		1,178,284
1960 (Jan.-Sept.)		881,089
Hardwood veneers		
1960 (Jan.-Sept.)	366,991,431 sq. ft.	13,139,376
Birch lumber		
1960 (Jan.-Sept.)	44,255,000 bd. ft.	8,709,471
Maple lumber		
1960 (Jan.-Sept.)	30,111,000 bd. ft.	5,793,685

eir hardwood needs from produc- g areas in the Southern States and e cost of transportation is probbly no greater than from some oints in Ontario and Quebec.

The importance of quality stanards for hardwood dimension canot be over-emphasized. United tates furniture manufacturers are amiliar with the standards deeloped by the Hardwood Dimenion Manufacturers Association in Nashville, Tennessee, and Canadian suppliers who hope to compete successfully in this market must guarantee comparable quality.

There are excellent display facilities in Los Angeles where Canadian firms may exhibit furniture dimension and components to advantage. Some of the woodturners in Quebec or Ontario might consider the desirability of displaying their products here. The Los Angeles Home Furnishings Mart offers an ideal location and rents display space at reasonable rates. Furniture manufacturers from the eleven Western States visit the Mart frequently to inspect the latest trends in furniture styling. At the present time, a number of foreign producers of finished furniture, including Scandinavian, Japanese and one Canadian firm, are displaying products. The minimum space for rent at the Mart is 415 square feet for $145.25 a month, with a minimum one-year lease. ●

Commodity Notes

Apples

WEST GERMANY—The West German and Italian Governments have concluded an agreement to stabilize the German apple market. The agreement includes a minimum import price effective between September 1 and March 15 for all varieties which are comparable to the German varieties, and an undertaking by the Italians that no "mercantile" grades will be eligible for export to Germany during the same period. Under the agreement, Kalterer and Abbondanza/Belfort varieties will not be free for export from Italy to Germany before January 1, while the Champagner Reinettes and Durello varieties will be withheld until March 1. On the other hand, choice and A grades of the Golden Delicious, Jonathan, Calville, Black Ben Davies and Stayman varieties will continue to be admitted—Hamburg.

Automobiles

BRAZIL—During the first eight months of 1960, Brazil's production of motor vehicles totalled 82,576 units, compared with 61,881 units for the same period in 1959. Output included 25,216 medium-weight trucks and buses, 20,954 passenger cars, 12,706 jeeps, 14,874 utility vehicles, 5,948 light trucks and 2,878 heavy trucks—Rio de Janeiro.

Copra

GHANA—The factory of the Nzima Oil Mills (ICD) Limited at Esiama in the Western Region of Ghana will start operations early this year. It is expected to produce 24 tons of edible oil per week processed from local copra and also compressed copra cake from animal feed. The mill has been established as a subsidiary of the Ghana Government Industrial Development Corporation, with a capital of £212,000. The factory cost approximately G£142,000 to construct—Accra.

Diesel Engines

INDIA—An Indian manufacturer at Poona has recently produced the first Indian 210 h.p. diesel engine. The company has been producing diesels of 5 to 40 h.p. and is now embarking on the production of the heavier engines in collaboration with Maschinenfabrik Augsburg Nurnberg (M.A.N.). Production of ten of these heavier motors per month is planned—Bombay.

Manganese

BRAZIL—World production of manganese is concentrated in only ten countries, among which Brazil ranks as third largest producer, after the Soviet Union and India. Brazil's reserves of manganese, considered the third largest, are estimated at 100 million tons. After 1957, following the completion of major transport and port projects in the territory, Amapa became the chief producing area in Brazil and in 1958 accounted for some 68 per cent of total Brazilian manganese output.

Brazil's manganese exports go almost wholly to the United States, the world's largest consumer. The U.S. relies on Brazil for about 42 per cent of its total imports and last year bought from her 914,220 tons valued at U.S.$30.3 million—São Paulo.

Nuclear Power

BRAZIL—According to a statement of Otávio Dias Carneiro, Director of the Mambucaba Project Superintendency, tenders will be invited from foreign companies for the Mambucaba nuclear energy plant. Interested firms will be expected to prepare their tenders in the first half of 1961; the selection will be made after July 1961 and contracts signed early in 1962. Construction, which should begin in the first six months of 1962, is expected to take about four years—São Paulo.

Paper

SWEDEN—The Scandinavian paper exporters have reached agreement on export prices for all kinds of paper except kraft. For sulphite wrappings, the increase is £4 sterling for basic substance and for greaseproof and parchment £3 sterling—Stockholm.

Polyester Fibre

ARGENTINA—It is reported that a factory to produce dacron polyester fibre, capitalized at 250 million pesos, will be established shortly at Beccar, Province of Buenos Aires. Production is scheduled for March 1961—Buenos Aires.

Rice Seed

VENEZUELA—A new rice seed which germinates faster than any other variety used in Venezuela has been developed by the Experimental Station of the Ministry of Agriculture in Portuguesa State. Even more important, it is resistant to the pest locally known as "white leafle". Tests show the new variety yields 2,700 lb. of rice per acre—Caracas.

Steel

BRAZIL—The foundation stone has been laid in Recife, Pernambuco, for a steel mill to be operated by COSINOR—Companhia Siderurgica do Nordeste. The mill is expected to commence operation in about 30 months, with an estimated initial annual production of 50,000 tons which will be increased by stages to 120,000 tons—Rio de Janeiro.

BRAZIL—Aços Villares S/A of São Paulo has signed a licence agreement with the Ohio Steel Foundry Co. of the United States for the manufacture of cast and forged steel and iron rolls for industry. The company's production line of special steels includes high alloy steel, high alloy stainless and heat resistant steels and the higher alloy grades of construction steels, as well as heavy castings and forgings of both plain carbon and alloy steels—São Paulo.

ECSC—The European Coal and Steel Community reports that in 1960 a record 72.8 million metric tons of steel was produced in the six countries of the Community. This is 9.6 million more than in 1959. At 15.3 per cent, this rate of growth is higher than for the other large groups of producers and compares with 8.5 per cent for the Soviet Union and 5.3 for the United States—Brussels.

Volkswagens

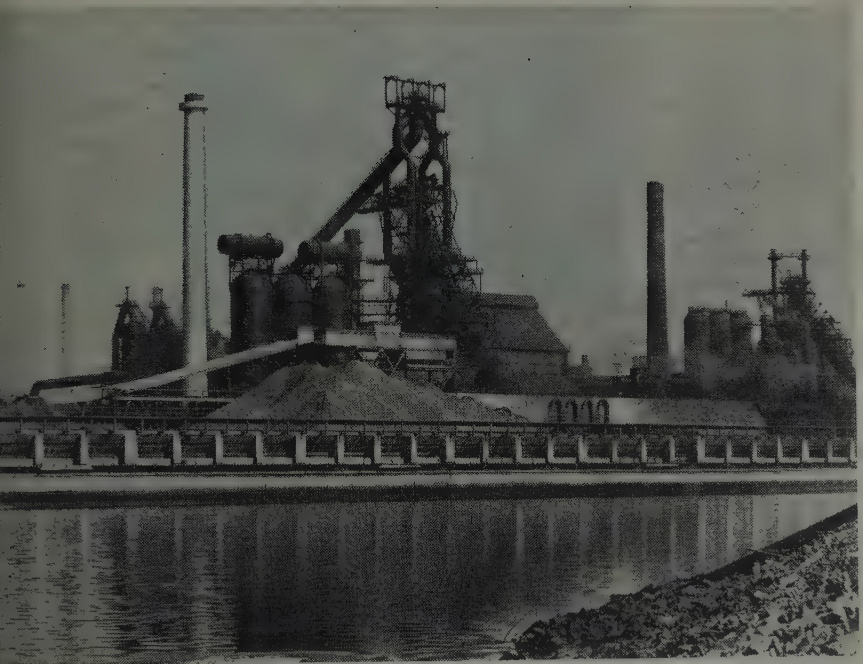
WEST GERMANY—The Volkswagen works produced about 890,000 cars in 1960, an increase of nearly 200,000 over 1959. Output for 1961 is expected to pass one million, based on the production schedule of 4,000 cars per day. This would make VW the biggest single European producer. In 1945 the Volkswagen works were 60 per cent destroyed and annual production stood at 1,785 cars. Nearly 60 per cent of the 1960 production was exported, one-third going to the United States—Hamburg.

Management Conference in Mexico

"SCIENTIFIC Management and Its Responsibility in Bettering the Standard of Living in the Americas" will be the theme of the III Inter-American Management Conference in Mexico City, March 6 to 11, 1961. The Mexican Government has invited Canadian corporations and institutions interested in the scientific administration of business to participate. The conference is being organized by the Mexican Management Association and held under the auspices of the Pan-American Council of the International Scientific Organization, a consultative organ of UNESCO in matters relating to the scientific administration of business.

"New Techniques in Scientific Management" and the "Latin American Common Market as a Solution to Economic Development" are two of the four main topics that will be studied in eight specific presentations. These papers will be given by authorities on the subjects from various countries of the Americas and will be commented upon and discussed by other lecturers. Visits to factories and tourist attractions in the area and dinner invitations to Mexican homes will highlight the informal part of the conference. In addition, a program is being organized for the ladies attending.

Registration forms and a brochure containing further details can be obtained upon request from the Latin American Division of the Department of Trade and Commerce.



This blast furnace, one of the largest in the world, can produce 1,400 tons of pig iron a day. It went into operation at IJmuiden about three years ago.

Netherlands Iron and Steel Industry

The Dutch are developing an important industry in a country where no ore is mined. Canadian raw materials help support this expanding enterprise.

N. RIEMEIJER, *Commercial Assistant, The Hague.*

IN 1918 the Netherlands decided to establish a blast furnace enterprise. There were two good reasons for this, even though no iron ore is mined in the country. Practically all Western European blast-furnace enterprises imported high-grade ores, and large quantities of ore passed through the port of Rotterdam on the way to the Ruhr. An undertaking on the Netherlands coast could therefore obtain foreign ores that much more cheaply. Moreover, a plant located on the sea could easily supplement its domestic coal supplies through imports, and readily ship end-products out.

The dune-land soil of the IJmuiden area on the North Sea seemed particularly suitable for the laying of solid foundations and sufficient fresh water was available for steel manufacture. The Royal Netherlands Blast Furnaces and Steel Works which was established there at first produced only pig iron. Opportunities for disposal of this on the home market were, however, limited and it was decided to build a pipe foundry to consume part of the output. A few years later, a start was also made on the manufacture of steel.

To consume the steel thus produced, a rolling mill for the production of heavy and medium-gauge plate (including shipbuilding plate) was erected and subsequently an adjacent mill was taken over for rolling thin sheet and sections. The construction of a blooming mill paved the way for the manufacture of large-size ship's plates and the production of hot and cold rolled sheets and tinplate. A wide-strip rolling mill and a tinplate mill were set up under a separate company incorporated for this purpose.

The production of pig iron had originally stimulated the production of steel and this in turn led to the construction of rolling mills. It was later found necessary to increase the output of steel and pig iron to supply the requirements of the rolling mills.

Pig Iron Production

The first blast furnace with coke-oven battery was completed at IJmuiden in 1924, the second in 1926, and the third in 1929. With one furnace held in reserve, production was still too great for the domestic market and the Netherlands consequently became the most important European exporter of pig iron for a period of years.

However, consumption of pig iron by the company itself eventually brought a drop in the surplus for export. After 1945 the spare furnace was put into use and output rose so sharply that for several years the Netherlands was the world's largest shipper of pig iron.

To continue deliveries to consumers abroad and at the same time keep pace with the greatly increased domestic demand, a fourth blast furnace with a capacity of 1,400 metric tons of pig iron a day was built. This furnace, one of the largest in the world, started to operate in 1958.

Current production is 1.2 million metric tons a year. In 1961, with operation on a full four-furnace basis, this figure will rise to 1.4 million. It was recently decided to build a fifth blast furnace and a second sintering plant. As a result, it will be possible to raise annual output of pig iron to 1.7 million tons in 1962.

The table on the right gives details of Netherlands imports of iron ore during 1959 and the period January-October 1960.

The first open-hearth furnace was put into operation in 1928. Thereafter five more units were built and in 1959 steel output totalled 940,000 tons.

Oxygen-Blown Steel

At the time the fourth blast furnace was put into operation, the manufacture of oxygen-blown steel by a special process was started in a second steelworks. Present annual output of this plant totals some 440,000 tons.

The contemplated increase in the production of pig iron by 200,000 tons in 1961 and by 300,000 tons in 1962 will coincide with an extension of the existing oxygen-blown steel plant, where the two 60-ton converters now in use will be replaced by two 100-ton units and a third 100-ton unit added. This extension will raise the total possible steel production to 1.9 million tons a year (including one million tons of oxygen-blown steel). A spare capacity of 800,000 tons in the oxygen-blown steel plant will remain, which will probably be used to supply the steel requirements of rolling mills for non-flat products.

NETHERLANDS IMPORTS OF IRON ORE

	1959		1960 Jan.-Oct.	
	Metric tons	**Dollars**	**Metric tons**	**Dollars**
Total	1,919,186	23,680,540	1,675,975	21,144,240
France	21,862	256,620		
West Germany	1,066	22,880		
Norway	23,118	298,220		
Sweden	327,047	4,178,980	351,764	4,235,920
Spain	101,395	1,180,660		
Spanish ports, North Africa	82,004	1,134,640		
Algeria	140,845	1,760,720		
Tunisia	22,272	272,220		
Sierra Leone	370,529	4,138,420	271,359	2,874,300
Liberia	399,880	5,320,640	372,266	5,348,200
Angola	2,265	37,180		
South Africa	686	14,560		
Canada	144,518	1,303,640	144,086	1,237,080
Chile	11,343	218,920		
Brazil	158,930	2,289,040	141,595	2,280,720
Portuguese India	111,462	1,240,200	128,039	1,548,300

There are two other Netherlands steelworks, but they are situated inland. They operate both open-hearth and electric furnaces. One of them, the Royal Demka Steel Works at Utrecht, started the manufacture of steel in 1902; the other, the Netherlands Cable Works at Delft, in 1938. Combined annual output of these two concerns approximates 300,000 tons. Part of the production of the Royal Demka Steel Works consists of special alloy steel.

Rolling Mill Products

The manufacture of rolling mill products was started by the Royal Netherlands Blast Furnaces in 1939. A mill for rolling sheet and a section rolling mill were taken over in 1941. Expansion was interrupted by the war but 1952 saw the completion of a blooming mill. This mill handles about 1.4 million tons of ingots a year and has a maximum throughput capacity of 1.9 million tons. It is expected this capacity will be used fully in 1962.

A rolling mill was completed in 1952 for the hot rolling of coils and sheets up to 49 inches wide, while a cold reducing mill and a plant for the production of hot-dipped tinplate were also put into operation. An electrolytic tinning installation was added to the tinplate plant in 1958. A second cold reducing mill for rolling plates for the tinplate plant and a second electrolytic tinning installation are now being constructed. Provision will also be made for the manufacture of cold-reduced sheet in widths up to 59 inches.

When all these plans have been implemented, possible total annual production of hot and cold rolled coils and sheets will climb from 520,000 to 785,000 tons, and for tinplate from 130,000 to 290,000 tons. Output of hot rolled heavy and medium-gauge plate will remain unchanged at approximately 370,000 tons a year. The two smaller steelworks have rolling mills with combined annual production capacity of some 350,000 tons.

Expansion Anticipated

From the foregoing it is clear that the Royal Netherlands Blast Furnaces and Steel Works will soon have an annual output of 2.7 million tons of steel. This figure is not regarded as a final goal; a production and processing capacity of at least 5 million tons of steel annually is the aim.

The intention is also to establish a new blast furnace and steel manufacturing plant near Rotterdam, with an ultimate annual production capacity of 5 to 6 million tons of steel. ●

General Notes

elgium

IL EXPLORATION—As a result of a recently nnounced exploration program, Belgium hopes to ecome a producer of oil and natural gas. A Royal utch Shell subsidiary, the Belgian Shell Company, as requested an exploration permit covering 6,000 quare kilometres in the Dinant basin in the south f Belgium near the French border. Technical person- el are in the area preparing equipment for a complete ravimetric survey of the basin, which lies between he Sambre and Meuse Rivers. This survey will robably require four years to complete.

First phase will involve installation within six months f 6,000 gravimetric stations. This will be followed y seismic prospecting, scheduled for completion by 963—Brussels.

enmark

FTA CO-OPERATIVES—The co-operative move- nent of the EFTA countries has decided to place its ead office in Copenhagen. Mr. Ebbe Groes, director f the Federation of Danish Co-operative Stores, has een appointed chairman and Mr. Mogens Efholm, irector of the Nordic Co-operative Federation (Nor- isk Andelsforbund), secretary—Copenhagen.

reland

MORE TOURISTS IN IRELAND—Figures just ssued by the Central Statistics Office of the Irish Republic indicate that hotel-bill receipts for the second uarter of 1960 totalled £1.5 million, an increase of ome 20 per cent over the same period in 1959. Guest registrations, at 416,000, were 16 per cent greater than n 1959. Visitors from the United States and Canada umbered 50,000, an increase of 24 per cent—Dublin.

RURAL ELECTRIFICATION—Out of 780 rural reas originally designated for electrification, less than 00 are now awaiting current. To date about $75.6 illion has been spent on this program. When rural lectrification has been completed Ireland will rank s one of the world's major consumers of electricity in griculture. At present, rural consumption accounts for 1 per cent of output—Dublin.

Italy

SHIPYARDS NEAR NAPLES—At a cost of about $8 million, the shipyard at Castellammare di Stabia, near Naples, has been re-equipped, modernized and enlarged to the extent that on completion it will be able to build vessels of 65,000 tons compared with the previous limit of 20,000. The re-equipped shipyard will compare with the most modern in the northern part of the country—Rome.

Jamaica

NATIONAL PRODUCT INCREASED—Jamaica's gross national product has trebled since 1950—from £70 million to £210 million in 1959—and per capita income has doubled in the last five years to £115 a year. These striking increases stem from Jamaica's transition from an economy based chiefly on agricultural exports to one based more and more on light industry—Kingston.

FARM DEVELOPMENT—A four-year plan known as the Agricultural Development Program went into effect on October 1. The plan calls for an expenditure of £12.5 million on roads, water supplies, transportation facilities and electrification in rural areas. At present, Jamaican agriculture is hampered by inadequate storage and transportation facilities—with the result that much farm produce does not reach the market and a disproportionately high amount of foodstuffs that could be produced locally must be imported—Kingston.

Mexico

INDUSTRY ENCOURAGED—The Mexican Government promotes industrialization through fiscal measures, including tax exemptions and high rates of duty on imports. Among the companies favoured by exemption from taxes last year are those manufacturing machinery and equipment for the petroleum industry, auto and truck bodies, wood pulp, solvents, synthetic resins, insecticides, glass fibre and forged steel. As local production increases, imports of these items will be reduced through licensing procedures and high duties. The government-organized Guarantee and Development

Fund for Medium and Small Industry has authorized credits during the past year amounting to about U.S.$35 million. These have been channelled towards the production of iron and steel, foods, textiles, clothing, graphic arts, construction materials, hides, electrical and chemical industries—Mexico, D.F.

NEW MACHINERY PLANT—The National Iron and Steel Works, S.A., a long-established Mexico City mill, machinery and equipment manufacturer, and Stork Werkspoor of the Netherlands recently signed an agreement to co-operate in the production of heavy machinery and equipment in Mexico. Production will be handled by a new company known as Stork Werkspoor de Mexico, S.A. According to the announcement, the majority of the stock interest will be in the Mexican owners' hands. The plant (construction has not started yet) will cost an estimated four million pesos, and will produce heavy equipment for the sugar-milling, chemical and oil-refining industries. In the future it may expand to produce Stork Werkspoor lines of machinery and equipment that can be used in Mexico—Mexico, D.A.

Spain

PAPER MILL—The CEPAL Board has met in Madrid to study the report prepared by Paperconsult, Zurich (European Associates of Sandwell and Co., of Vancouver), concerning the construction of a newsprint mill at Ribadeo, Galicia. The cost is estimated at $14 million and this may be increased to $21 million on completion of plans. Initial production is estimated at 60,000 tons a year—Madrid.

U.S. AID—A loan of $2.3 million has been granted by the Export-Import Bank to the Spanish Government-controlled steel plant, Empresa Nacional Siderurgica S.A. (ENSIDESA) at Aviles, for the purchase of 120 plate rollers in the United States. The loan is repayable in five years. ENSIDESA previously borrowed $4.4 million from the Export-Import Bank.

The new loan brings to $19 million the total credits granted by the Export-Import Bank to the Spanish steel industry. In addition, between 1954 and 1960, the industry received through ICA equipment worth $11 million and raw materials valued at approximately $60 million—Madrid.

Sweden

SELF-SERVICE STORES—Self-service shopping is growing rapidly in Sweden, according to a report on the development of retail sales in 1959. A nation-wide survey reveals that the increase in turnover from 1958 is about 6 per cent in self-service stores, compared with 2 to 4 per cent in other types.

In 1959 the number of new or rebuilt groceries fo self-service rose by over 650 (about 350 private enterprise units and some 300 co-operatives). Self service stores in Sweden at the beginning of 196 totalled about 4,750, of which 2,100 were privatel owned and 2,650 co-operatives. Comparison betwee self-service and manually served shops is difficul because the latter group contains specialized units suc as bakeries, dairies, fish shops, fruit stores, etc. However, the general trend seems to be toward self-service

Swedish consumer habits are also changing. Fruit and vegetables—fresh, canned or frozen—are occupying a rapidly growing place in food purchases. Th 1959 turnover of these products climbed by abou 16 per cent over 1958.

Sales of frozen foods, particularly the ready-to-hea varieties, increased by about 10 per cent. Canned soups herring and other preserved fish share popularity wit vegetable products. Another notable variation in Swedish eating habits is the switch from homemade brea to bakery bread and cakes—Stockholm.

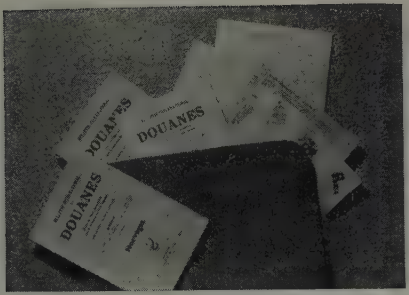
United States

INSURANCE FUNDS IN SUPERMARTS—Shoppin centres in the United States have found life insuranc companies to be their largest source of funds. Abou $1.5 billion of policyholder funds is invested in shopping centres today, and an additional $400 millio is committed to building new shopping centres ove the next few months. The average life insurance investment in shopping centres is approximately $41 pe insured family.

There will be 4,500 shopping centres in the Unite States by the end of 1961 and it is estimated ther will be 10,000 in operation by 1965. Shopping centre are classified in three groups—small, intermediate an regional. The typical small shopping centre consist of three to fifteen stores, the central one a supermarket The intermediate group has as many as fifty shop centering around a department store of moderate size The regional shopping centre consists of 50 to 10 stores, and incorporates colourful landscaping, pool and fountains, entertainment facilities such as theatres bowling alleys and skating rinks, helicopter landin fields and facilities for church services—Detroit.

Venezuela

PUBLIC WORKS—Venezuela has allocated U.S.$22. million to improve its port facilities under the four year economic development plan. It will also spen U.S.$70.5 million in the next four years to improve th Caracas water supply system, U.S.$37.8 million fo the Maracaibo aqueduct project, U.S.$10.5 million fo Valencia's water-supply system (over the next tw years) and some $90 million in the fiscal year 1960-61 for nationwide waterworks improvements—Caracas.



Foreign Tariffs and Trade Regulations

hile

ONSULAR LEGALIZATION REQUIREMENTS LIMINATED—The Government of Chile has anounced that, in accordance with Decree-Law No. 312 f April 1, 1960, effective January 1, 1961, no legalizaon of documents by Chilean Consulates will be reuired for the following:

Clearance of vessels bound for Chilean ports
Clearance of aircraft (both commercial and tourist) en route to hile
Bills of lading and airway bills covering goods and merchandise ound for Chile
Commercial invoices pertaining to goods and merchandise going o Chile.

Merchandise being shipped to Chile, as of January 1, 961, will pay the corresponding consular fees at the ustom House at the point of debarkation and in local urrency (Chilean escudos). Consular fees correspondng to documents referring to clearance of vessels and ircraft will also be collected by the Customs at the first ort of arrival.

urkey

EW FOREIGN TRADE REGULATIONS ANOUNCED—A cablegram from the Canadian Comercial Counsellor, Athens, Greece, dated January 21, rovides a summary of new Foreign Trade Regulations ecently announced by the Government of Turkey.

According to the cablegram, the sixth global import uota and revised free import lists were announced on anuary 4 totalling $280 million for the six months' eriod. The deadline for applications for global quota icences is February 4 (except for industrialists and pecial importers). Applications must be accompanied y counterpart guarantee of 10 per cent of the value nd pro forma invoice of the foreign suppliers or firm ffer. The sixth quota and free import lists apply to he European Monetary Area, dollar and other hard urrency areas. Import licences are valid for six months. etter of credits are to be opened within one month f issue of the licence. Payments for cash against docuent imports must be made within six months; payment or cash against goods within six months of clearing oods. Licences for free list imports may be applied or at any time and are not subject to the February 4 deadline.

There are many important additions to the previous free list, including chemicals, rubber, hides, agricultural machinery, and special purpose vehicles. In general, the global quota allocations divided between industrial and market imports are generous.

The more important allocations include the following (in millions of dollars): iron and steel products 5.2; chemicals 3.8; plastic materials 2.5; diesel petrol engines 2.75; roadbuilding, construction machinery and plant 1.5; lorries, chassis, 2; vans 2.5; electric motors 1.5; metalworking machine tools 1.5; antibiotics and drugs 2.5; pumps 1.

Also the following (in thousands of dollars): pitprops 500; pulpwood, wood pulp 750; paper 50 to 55 grams per square meter 500; printing and writing paper 250; other paper 250; secondary aluminum products 450; hand tools 100; tools for machines 250; pneumatic electro-mechanical hand and machine tools 250; electric generators 250; transformers 200; automatic telephones and exchanges 100; insulated underground cable 200; transmission conveyor belts 250; asbestos 75; cellulosic varnishes and colours 125; pyrotechnic products 125; packing cases 200.

One million dollars for state railroads, aerodromes and public telephone and telegraph; 1 million for urgently needed supplies for state industries; ½ million for private-sector industry; 4 million for capital equipment for state industrial enterprises, and 6 million for private industry. Other allocations are for various assembly plants and 21 million for wheat purchases from the United States.

Canadian exporters should follow up immediately with prices and offers to their Turkish contacts.

Complete details will be available when the official text of the new regulations is received.

Trade Commissioners on Tour

In Canada

G. F. G. HUGHES, who will shortly take up his duties as Commercial Counsellor in Stockholm, will visit Montreal February 20-24 and Toronto, February 27-March 3. Businessmen who wish to see Mr. Hughes should get in touch with the Board of Trade in Montreal and the Canadian Manufacturers Association in Toronto.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.01169775.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 30	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01198	83.47	(1
Austria	Schilling		.03797	26.34	
Australia	Pound		2.2178	.4509	
Bahamas	Pound		2.7723	.3607	
Belgium and Luxembourg	Franc		.01984	50.40	
Bermuda	Pound		2.7723	.3607	
Bolivia	Boliviano	Free	.00008652	11,558.02	
British Guiana	Dollar		.5776	1.73	
British Honduras	Dollar		.6931	1.44	
Brazil	Cruzeiro	General Category*	.004318	231.60	*Jan. 10 (2
		Special Category	.001530	653.57	
		Official selling	.05225	19.14	(3
Burma	Kyat		.2076	4.82	
Ceylon	Rupee		.2079	4.81	
Chile	Escudo	Free	.9396	1.06428	(4
Colombia	Peso	Certificate	.1475	6.78	
Congo, Republic of	Franc		.01984	50.40	
Costa Rica	Colon	Official	.1760	5.68	
		Controlled free	.1486	6.73	
Cuba	Peso		.9884	1.01174	tax 2
Czechoslovakia	Koruna		.1373	7.28	
Denmark	Krone		.1432	6.98	
Dominican Republic	Peso		.9884	1.01174	
Ecuador	Sucre	Official	.06590	15.17	
		Free	.05780	17.30	
Egyptian Region, United Arab Rep.	Pound	Official	2.8384	.3523	
		Export account selling	....	....	
El Salvador	Colon		.3954	2.53	
Fiji	Pound		2.4976	.4004	
Finland	Markka		.003089	323.73	
France, Monaco, etc.	New Franc		.2017	4.96	(5
Franco-African Republics, etc.	Franc		.004034	247.89	(6
French Pacific	Franc		.01109	90.17	(7
Germany	D Mark		.2368	4.22	
Ghana	Pound		2.7723	.3607	
Greece	Drachma		.03294	30.36	
Guatemala	Quetzal		.9884	1.01174	
Haiti	Gourde		.1977	5.06	
Honduras	Lempira		.4942	2.02	
Hong Kong	Dollar	Free*	.1721	5.81	*Jan. 2
		Official	.1733	5.77	
Iceland	Krona	Official	.02601	38.44	(8
India	Rupee		.2079	4.81	
Indonesia	Rupiah	Official	.02196	45.53	(8
Iran	Rial		.01305	76.64	
Iraq	Dinar		2.7676	.3613	
Ireland	Pound		2.7723	.3605	
Israel	Pound		.5491	1.82	
Italy	Lira		.001590	629.93	
Japan	Yen		.02746	364.17	

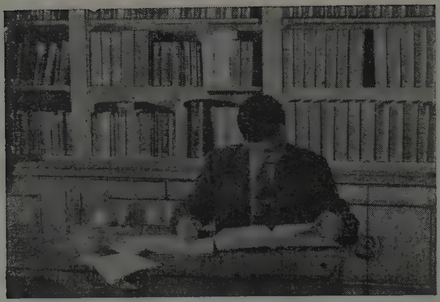
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Jan. 30	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3105	3.22	
Mexico	Peso		.07908	12.64	
Morocco	Dirham		.1977	5.06	
Netherlands	Florin		.2614	3.82	
Netherlands Antilles	Florin		.5267	1.90	
New Zealand	Pound		2.7723	.3607	
Nicaragua	Cordoba	Effective buying	.1497	6.68	
		Official selling	.1402	7.13	
Nigeria	Pound		2.7723	.3607	
Norway	Krone		.1384	7.22	
Pakistan	Rupee		.2079	4.81	
Panama	Balboa		.9884	1.01174	
Paraguay	Guarani	Official	.007814	127.97	
Peru	Sol		.03684	27.14	
Philippines	Peso	Free	.3295	3.03	
		Official	.4942	2.02	
Portugal & Colonies	Escudo		.03450	28.98	(9)
Singapore and Malaya	Straits Dollar		.3234	3.09	
Spain and Dependencies	Peseta		.01647	60.70	
Sweden	Krona		.1914	5.25	
Switzerland	Franc		.2294	4.36	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04700	21.28	(8)
Tunisia	Dinar		2.3821	.4198	
Turkey	Lira		.1098	9.11	(8)
Union of South Africa	Pound		2.7783	.3607	
United Kingdom	Pound		2.7783	.3607	
United States	Dollar		.9884375	1.01169775	
Uruguay	Peso	Free	.08965	11.15	(10)
Venezuela	Bolivar		.2950	3.39	(11)
West Indies Fed.	Dollar		.5776	1.73	(12)
	Pound		2.7723	.3607	(13)
Yugoslavia	Dinar	Official	.003294	303.58	(8)
		Settlement rate	.001564	639.39	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Madagascar. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.



Businessman's Bookshelf

The People's Power—The History of Ontario Hydro

By Merrill Denison. 295 pages. $7.50.

ONTARIO'S industries, as Mr. Denison points out in this readable book, all benefit from the low-cost hydro-electric power that the Hydro-Electric Power Commission of Ontario supplies. Ninety-nine per cent of Ontario's homes are serviced by "Hydro," and it is also available to 95 per cent of the province's farms. The Commission has shown a willingness to serve even unprofitable and remote areas at cost, and has made Ontario's per capita consumption of electric power (5,950 kwh. in 1959) one of the highest in the world. The six million people living in Ontario consumed just about as much electric power in 1959 as did the 670 million in China.

All this was not achieved without a struggle—a struggle that began long before the Commission was established in 1905. Mr. Denison ably describes the missionary efforts of Sir Adam Beck and others of the "Founding Fathers" to gain acceptance for the idea of public ownership for the electric-power industry. The book chronicles the continuing successes and occasional setbacks, from the days when the Commission was basically an association of municipalities trying to get lower rates from the power companies right up to the construction of the St. Lawrence Seaway and Power Development.

This book should be of general interest as an historical study of what has become an institution in Ontario.

Published by: McClelland and Stewart Limited, 25 Hollinger Rd., Toronto 16, Ontario.

Selling to the Canadian Government

Department of Trade and Commerce. 39 pages. Free.

THERE'S a potential customer for the Canadan businessman in his own Federal Government which buys more goods and services than any corporation, company or agency in the country. In the fiscal year ended March 1959, the Canadian Government spent $1.4 billion for the purchase of office materials and supplies, equipment, services, construction and the leasing of accommodation. *Selling to the Canadian Government* tells the businessman what he can sell to this major customer and how to go about it.

Prepared by the Small Business Branch of the Department of Trade and Commerce in co-operation with other federal departments, the manual explains in individual sections the purchasing procedures of the nine departments which are the largest buyers and lists their Ottawa and district purchasing offices. Appendix II provides the addresses of the purchasing offices for other government departments and agencies which buy on a smaller scale. The wide range of commodities which federal government departments buy are conveniently listed in Appendix I.

Order from: Trade Publicity Branch, Department of Trade and Commerce, Ottawa.

Nigeria: Handbook of Commerce and Industry

Federal Ministry of Commerce and Industry. 227 pages. $2.50.

THE recent Export Trade Promotion Conference in Ottawa disclosed both a mounting interest in and a lack of knowledge about Nigeria. The fourth edition of this useful handbook should do much to satisfy the Canadian exporter's curiosity about and dispel his ignorance of this well-endowed, newly independent country.

Traders will probably find the chapters on industrial development (ten new factories began producing in 1959 and 14 were under construction) and on overseas trade particularly helpful. They will also wish to read carefully the one on government departments concerned with trade and industry.

The section styled "commercial information" will answer questions on advertising, on weights and measures, trademarks, hours of business, and so on. The appended maps include plans of the major towns and can be detached from the Handbook and carried by the traveller.

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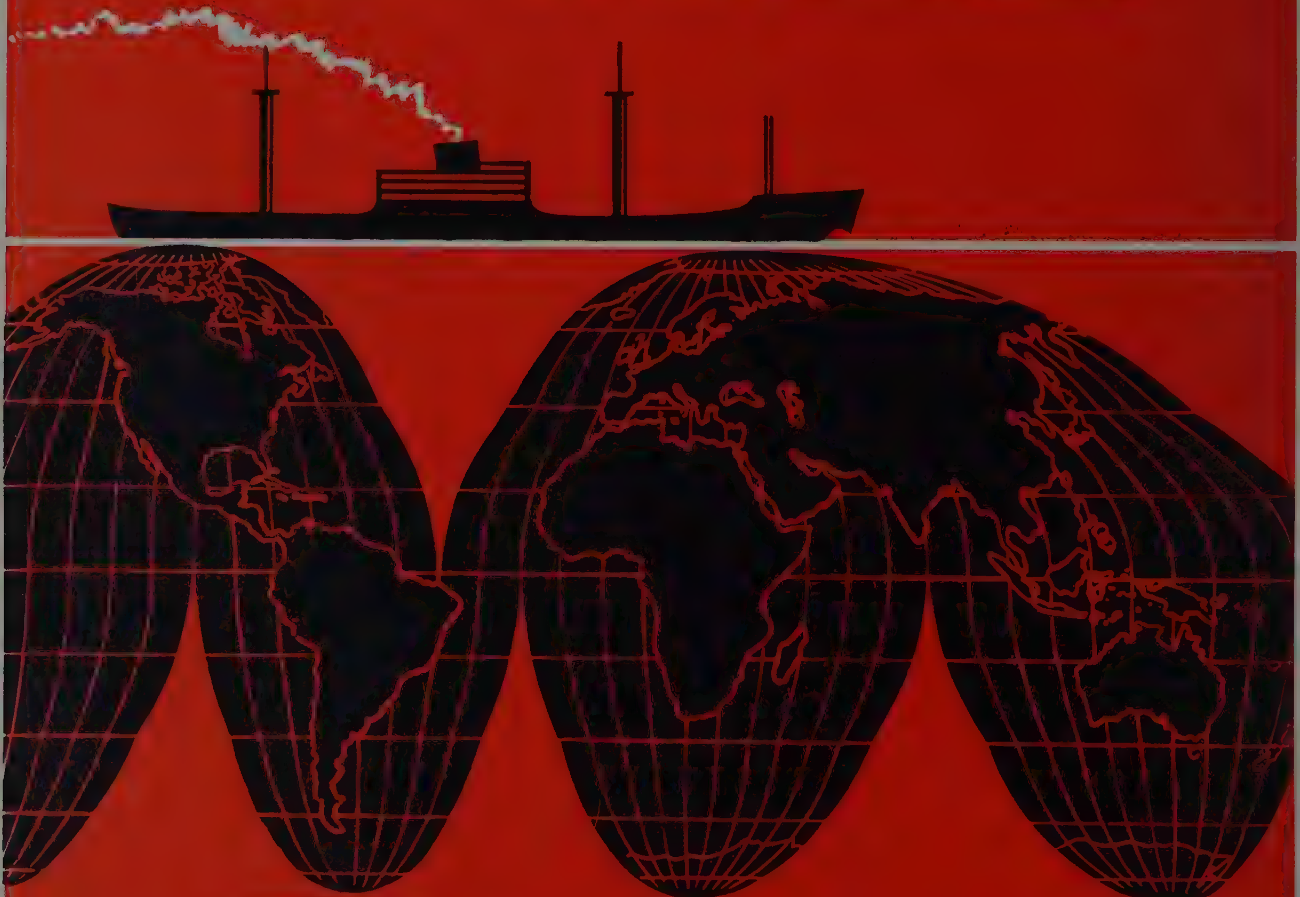

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Development and Trade in the Middle East (pages 2 to 30

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FOREIGN TRADE

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FEBRUARY 25, 1961 Volume 115, Number 4

cover Oil, symbolized by this spherical storage tank in arid Saudi Arabia, continues to dominate the Middle Eastern economy; was by far the largest element in Canada's imports of $84 million from these countries in the first ten months of last year. For reports on current conditions and trade in the Middle East, see pages 2 to 30.

2 **Canada's Trade with the Middle East . . .** *opportunities for Canadian exports are increasing, though prospects vary from country to country.*

5 **The Middle East in 1960 . . .** *four offices of the Trade Commissioner Service analyze progress and trading patterns in ten countries in this area.*

5 **From the Athens Office:**
6 **Turkey**

10 **From the Cairo Office:**
11 **United Arab Republic (Egyptian Region)**
13 **Saudi Arabia**
14 **Sudan**

16 **From the Beirut Office:**
17 **Iraq**
20 **United Arab Republic (Syrian Region)**
22 **Jordan**
25 **Kuwait**
26 **Bahrain**

27 **From the Tehran Office:**
28 **Iran**

30 **Shipping Services from Canada to the Middle East**
32 **Import and Exchange Regulations in the Middle East**
40 **Canada in Middle East Markets**

38 **Foreign Exchange Rates**
34 **Foreign Tariffs and Trade Regulations**
37 **Trade Commissioners on Tour**

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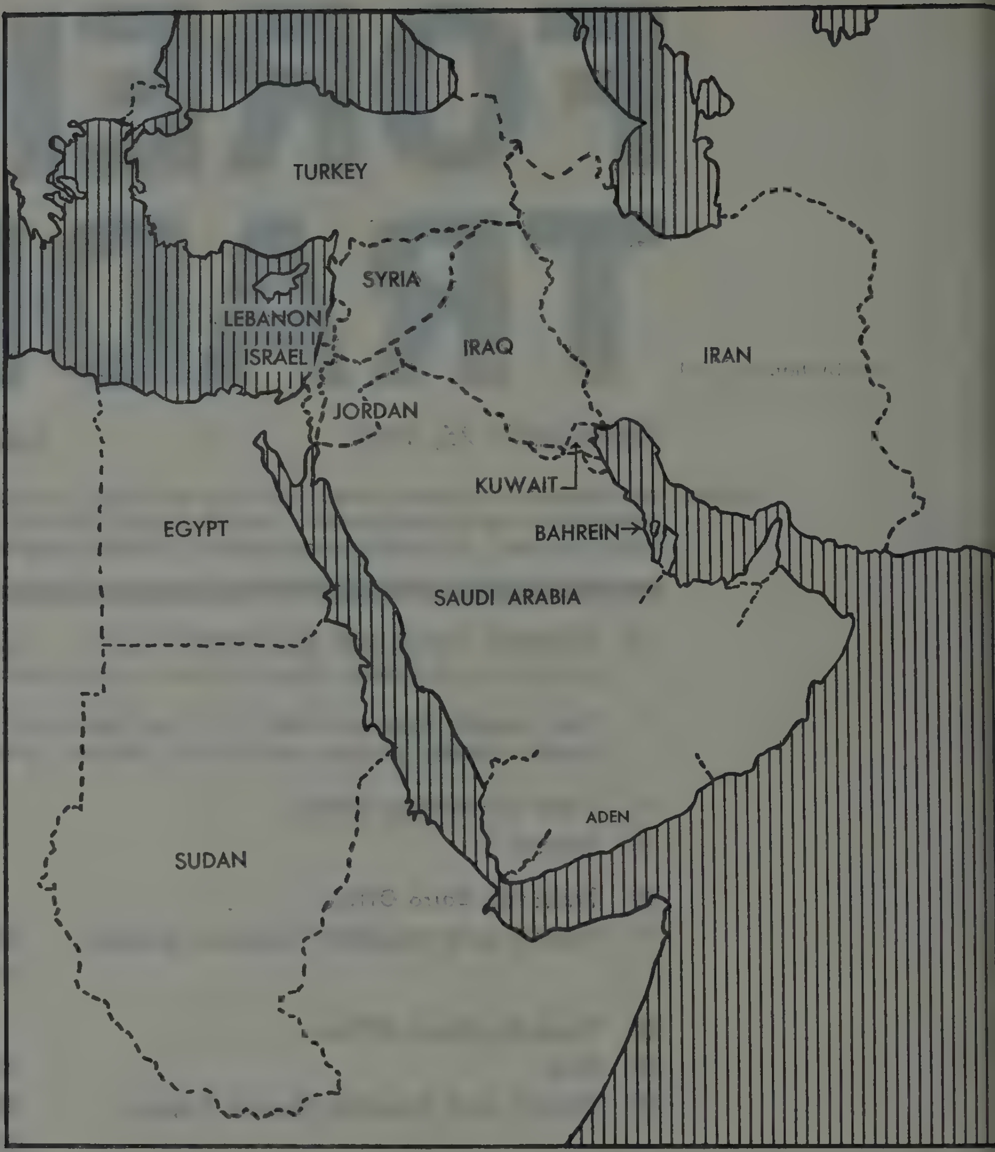
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Canada's Trade with the Middle Eas

R. DOWNS, *Chief,*
sia and Middle East Division.

anadian sales to this area rose 14 per cent in 1960; totalled a ecord $24 million. Trading opportunities should increase as eco-omic development and diversification proceeds.

THE Middle East is an important commercial and economic region. Located where three continents meet, it stretches from the eastern Mediterranean southeasterly to the Arabian Sea, an area of more than four million square miles.

Some 130 million people inhabit this region and conduct a growing international trade. In 1959, the combined exports of the Middle Eastern countries were valued at nearly U.S.$5.0 billion and their combined imports at about U.S.$4.2 billion. These figures represent an increase of about 23 per cent over 1955. Trade totals of these countries in recent years are shown in Table I.

The Middle East is the world's main oil-exporting area and contains a major part of the world's known reserves of petroleum. The trade and revenues of such countries as Iran, Iraq, Saudi Arabia and Kuwait are strongly underpinned by petroleum exports. In recent years, these exporting countries have encountered increasing competition in the supply of petroleum to world markets from various sources, though their sales of oil continue to be large.

The export trade of other countries in the Middle East is also concentrated on relatively few commodities. Cotton accounts for about 70 per cent of Egyptian merchandise exports, about 45 per cent of Syrian, over 65 per cent of Sudanese, and about 15 per cent of Turkish exports. Tobacco accounts for 35 per cent of Turkey's exports and citrus fruit and diamonds together account for 60 per cent of Israel's shipments.

The countries in this region have sources of foreign exchange earnings other than merchandise exports—for example, the Suez Canal revenue of the United Arab Republic and the earnings of several countries from the tourist trade. In general, however, a high proportion of foreign exchange earnings of each country in the region depends upon the volume and price of sales abroad of relatively few products.

For this reason as well as others, the Middle East countries are striving to develop and diversify their economies and their trade. The bulk of their imports consists of machinery and equipment for development, vehicles, metal manufactures, and cereals (depending on local crop conditions). There are, however, some interesting outlets for various types of consumer goods.

Exports Up in '60

Although there were naturally variations as between particular countries, the export trade of the Middle East as a whole in 1960 was buoyed up by prosperous conditions in the United Kingdom and Europe (the main export markets), as well as in Japan. These favourable circumstances more than offset a tendency for exports to the United States to decline moderately. In the first five months of 1960, Middle East exports to Britain totalled $433 million ($421 million, same period 1959); to the Common Market countries $927 million ($851 million, same period of 1959); and to the United States $189 million ($211 million in five months of 1959). In the first two months of 1960, the region's exports to Japan

TABLE I—TRADE OF THE MIDDLE EAST*

(millions of U.S. dollars)

Year	Exports (f.o.b.)	Imports (c.i.f.)
1955	3,968	3,443
1956	4,170	3,572
1957	4,497	3,842
1958	4,854	3,955
1959	4,990	4,184

---

*Based on IMF statistics. Countries or territories included in the above totals are Aden, Egyptian Region, U.A.R., Ethiopia, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Saudi Arabia, Sudan, Syrian Region, U.A.R., Turkey, and others in the Persian Gulf region.

TABLE II—EXPORTS FROM CANADA TO THE MIDDLE EAST

(thousands of Canadian dollars)

	1957	1958	1959†	1960†
Bahrain	*	*	*	112
Iran	1,717	1,657	2,242	2,499
Iraq	1,070	970	4,310	2,425
Israel	5,050	4,641	4,557	6,184
Jordan	98	159	72	131
Kuwait	*	*	*	1,091
Lebanon	1,116	2,242	3,182	3,443
Saudi Arabia	1,664	2,020	2,878	2,905
Sudan	213	186	368	335
Turkey	483	1,479	693	2,014
United Arab Republic				
Egypt	1,221	1,207	1,601	2,010
Syria	812	767	1,067	674
Total above	**13,444**	**15,428**	**20,970**	**23,823**

---

*Before 1960, the statistics for Saudi Arabia included Bahrain and Kuwait.

†Published export totals for 1959 and 1960 exclude non-commercial items which are included in the totals shown for the earlier years. Thus although the 1959 figures above are shown on the same basis as the 1960 figures, the totals for these two years are not strictly comparable with those shown for earlier years.

TABLE III—IMPORTS INTO CANADA FROM THE MIDDLE EAST

(thousands of Canadian dollars)

	1957	1958	1959	1959 (9 months)	1960 (9 months)
Bahrain	*	*	*	*	
Iran	546	920	11,961	7,644	21,605
Iraq	435	1,559	1,111	665	10
Israel	1,587	1,813	2,505	1,890	1,884
Jordan	4	5	2	1	1
Kuwait	*	*	*	*	17,323
Lebanon	43	81	27	3	29
Saudi Arabia	34,317	68,023	70,729	52,812	27,459*
Sudan	45	80	441	390	32
Turkey	841	529	913	652	636
United Arab Republic					
Egypt	330	271	281	181	517
Syria	242	200	189	52	64
Total above	**38,390**	**73,481**	**88,159**	**64,290**	**69,560**

---

*Before 1960, Saudi Arabia total included Bahrain and Kuwait.

reached $72 million, compared with $55 million in the same period of 1959.

Canada-Middle East Trade

Canadian exports of commercial items to the Middle East rose by about 50 per cent in 1959 to $21.0 million (then a record), and grew by a further 14 per cent in 1960, to a level of $24.0 million. Export statistics are presented in Table II.

Exports to most countries in the region increased and thus more than offset a drop in sales of wheat to Iraq in 1960. In 1959, wheat shipments to Iraq were stimulated by a succession of crop failures. Important commodities in our export trade with this region include wheat, asbestos, agricultural equipmen drugs and chemicals, aluminu cars and parts, stoves, lamps an washing machines.

Crude oil accounts for about 9 per cent of our imports from th Middle East; important product apart from oil are fruit, dates, nut diamonds and carpets. Because c greater purchases of oil, import from the Middle East have expanded considerably in recen years. Import totals are shown i Table III.

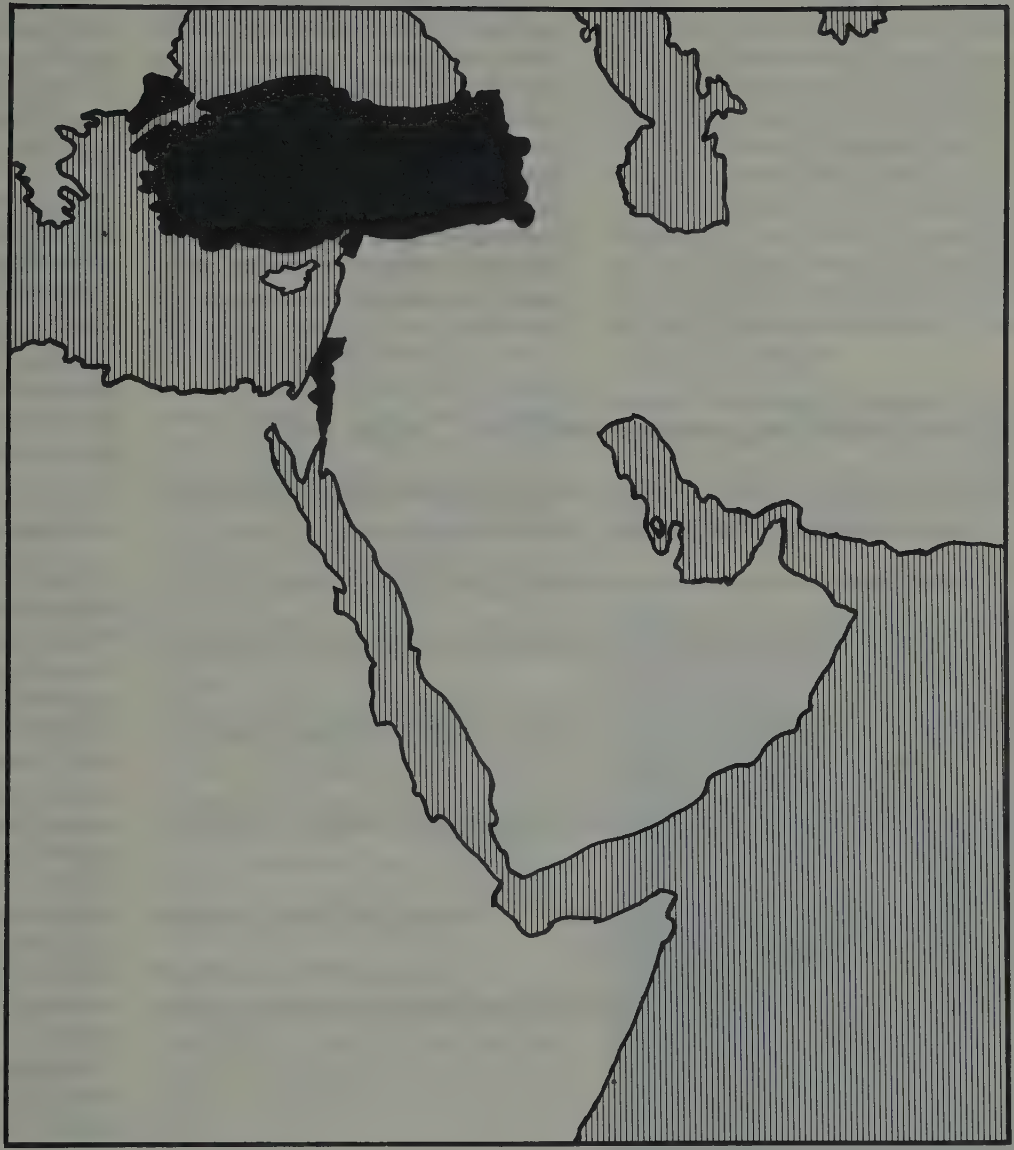
Export Prospects

The income and trade of Middl Eastern countries is bound to gro in the long run with the progres of economic development, and th area should become of increasin interest to Canadian exporters.

At the Export Trade Promotio Conference held in Ottawa las December, Canadian businessme showed a good deal of interest i opportunities for promoting export to Middle Eastern countries. Th three Trade Commissioner post concerned wholly with countries i this region (Beirut, Cairo an Tehran) conducted some 340 interviews with businessmen from eigh provinces. In addition, the Athen post, which also covers Israel an Turkey, carried out a large numbe of interviews, many of which wer related to trade promotion in thos two countries. A continuing stud and follow-up by exporters of products that this varied region mus import should be of value.

Business opportunities vary considerably from country to countr especially in the short run. Th articles on particular countries i this issue are worthy of study by interested exporters who may find i profitable, in consultation with th Trade Commissioner, to plan a vis to one or more of these countrie at some time. Business opportunitie are related not only to the amoun of foreign exchange earned b Middle East exports, but also to th number and size of developmen projects for which outside capital i available from various sources. ●

The Middle East



the Athens office reports

Turkey

BRUCE A. MACDONALD,
Commercial Counsellor, Athens.

THE year 1960 was a difficult one for Turkey. In May a military group led by General Cemel Gursel overthrew the Government, headed by the Turkish Democratic Party, which had been in power for the preceding ten years. General Gursel set up a Committee of National Unity which has since governed the country through an 18-member cabinet.

These events had naturally an unsettling effect on business conditions. Uncertainty descended on most of the many enterprises and projects launched by the previous government and the trading community adopted a wait-and-see attitude.

To help solve her economic problems, Turkey has:

- Discouraged imports of luxury and non-essential products, encouraged imports of raw materials and equipment.
- Issued new foreign trade regulations; revised the "free list".
- Revised the import tariff, increasing some rates and decreasing others.
- Obtained foreign loans to cover the foreign exchange needs for the 1961 import program.
- Reviewed industrial investment proposals; scrapped those considered impractical.
- Pushed ahead with several industrial projects, including iron and steel mill at Erigli.
- Encouraged agricultural production, particularly of olives, citrus fruit and hard wheat.

In a message to the nation on New Year's Eve, General Gursel said: "The year 1961 will mark the establishment of the Second Turkish Republic" that "will be founded on justice and virtue, necessary to Turkish development and progress."

Within the next few days a whole series of momentous steps were announced or actually taken. The economic measures announced are discussed in the following par graphs.

Foreign Trade Regulations

In a statement broadcast on Ja uary 3, Mehmet Baydur, Minist of Commerce, outlined the Gover ment's import policy. He made plain that the policy is designed:

- To ensure maximum use of exis ing manufacturing capacity favouring imports of essential ra materials and equipment.
- To encourage existing and ne industries and domestic agricultur production by refusing impo licences for goods that are in ad quate supply from home sources.
- To bar the import of all luxu and non-essential goods.

New foreign trade regulatio were promulgated in the Turki *Official Gazette* on January 4. far as can be judged from a qui study of the informal translatio available, they do not differ great from those previously in force.

For imported goods subject quotas, import licences have to applied for by a specified da roughly one month after the a nouncement of the quota. Industri raw materials and other essenti products required by domestic i dustries are not subject to this tin limit.

For goods on the free list, i port licences may be applied f at any time and for any amoun they are not subject to a time lim

Applications for quota licenc must be accompanied by a guara tee of 10 per cent of the Turki lira equivalent of the dollar val of the application and a pro-form invoice or firm offer from the i tended supplier. No single applic tion may cover more than 20 p cent of the total allocation for t item or items concerned.

The payment terms permissib for both quota and free list impo include letter of credit, cash agai documents and cash against goo or both free list and quota items, hen payment is to be made cash gainst documents or against goods, e 10 per cent guarantee mentioned bove, plus a further deposit of 0 per cent of the Turkish lira quivalent of foreign exchange aplied for, shall be deposited with n authorized bank before the imort licence is issued.

Letters of credit must be opened ithin one month of the date of e licence and will be valid for five onths. Cash against documents ayments must be made within five onths of the date of issue of the nport licence. Payments on the asis of cash against goods must be ade within six months of clearing e goods.

lobal Quota and Free List

Under authority of the new reguations and on the same date, the inister of Commerce announced e Sixth Global Import Quota and ree Lists. These are valid for six onths and together cover imports a total value of between $280 nd $290 million. Details were iven in *Foreign Trade* of February 1, 1961.

The Sixth lists apply only to nports from hard currency counries, including the European Moneary Agreement Area. Imports rom "clearing account" countries i.e., U.S.S.R., Bulgaria, Poland, ast Germany, Hungary, Rumania, zechoslovakia, Yugoslavia, Israel, inland, Iran, Egypt and Brazil) re to be made within the values hown on the lists of exchanges greed upon with the individual ountries.

Among the additions to the free st are chemicals, rubber, hides, gricultural machinery, special purose vehicles, iron and steel sheets, nd zinc. For a list of the quota ems of special interest to Canada, e "Foreign Tariffs and Trade egulations" in the February 11, 961, issue of *Foreign Trade*.

It is understood that imports of gricultural implements and tractors re to be subject to special approval by the Ministry of Agriculture, which has laid down the procedure to be followed in applying for covering import licences. Details are not yet available.

Use of ICA Funds

An appreciable part of the foreign exchange made available from United States ICA funds allocated to Turkey, mainly from the Development Loan Fund, has for some time past been available for imports from a number of third countries, including Canada. These funds have, in fact, made possible the sale of substantial quantities of Canadian goods which the Turkish Government or private firms would otherwise probably have been unable to buy. The fact that the change in its balance-of-payments position has led the U.S. Government to restrict the use of ICA funds will doubtless affect imports from Canada to some, but at present an unknown, extent.

It is reported that the U.S. and Turkish authorities are negotiating a list of products that will be eligible for (or perhaps reserved for) import from the United States against payment from ICA funds. This list is expected to be made public in the near future.

Turkish Tariff Revised

The revised import tariff, promulgated under Law No. 146 and published in the *Official Gazette* of January 7, came into force on that date. It is understood that the rates on some 400 items are affected, either upward or downward. The revision is frankly protectionist in character. Rates on raw materials have generally been decreased and those on goods manufactured or to be manufactured within the country have in numerous cases been increased.

The Minister of Customs and Monopolies is reported, however, to have stated that the over-all effect of the revision is to bring the average ad valorem rate down from 39.5 to 37.4 per cent.

Foreign Exchange Problems

On August 22, 1960, the official rate of the Turkish lira was officially altered, with the concurrence of the International Monetary Fund, to a

Along the Aegean Coast of Turkey, grapes, figs and olives flourish in the hot, dry summers and the mild winters. Here Turkish girls gather in the grape harvest. Turkey also produces a large proportion of the world's sultana crop.

ratio of nine Turkish liras to one United States dollar, from the old official rate of T£2.80 to U.S. $1.00. This was merely a de jure recognition of a de facto devaluation which had taken place in August 1958.

It is understood that Turkey's accumulated foreign indebtedness on both government and commercial account totals about $1.4 billion. Although final figures are not yet available, it is estimated that the exchange deficit on trading account in 1960 compared with 1959 was:

	1959	1960
	(millions of U.S.$)	
Imports	$463	$443
Exports	315	355
Deficit	$148	$ 88

These figures do not include imports on defence account nor "invisibles", which increase the deficit substantially—by as much as $100 million a year according to one authority.

On December 24, 1960, the Minister of Finance stated that the foreign exchange needed to cover the 1961 import program, totalling the equivalent of U.S.$515 million, had been assured. It is understood that the estimated exchange shortfall amounted to about $200 million but that agreement to cover it was reached with the following lenders for the amounts stated: DLF $130 million (to cover the foreign exchange part of the cost of the new steel mill at Erigli); IMF $37.5 million, and $50 million through OEEC arrangements.

West German and Turkish experts were to meet before the end of January to discuss the amount and terms of a loan (said to be about DM100 million) that West Germany is considering extending.

Among other measures designed to close the foreign exchange gap are continued vigorous exploration for oil, encouragement of domestic industry, increased agricultural production (particularly of olives, citrus fruit and hard wheat), and the establishment of an Export Promotion Bureau.

The Bureau is charged with studying means of increasing the sales of Turkish industrial and agricultural products in foreign markets; with watching the trend of world supply and demand affecting commodities of interest to Turkey, and with preparing special reports as required by Turkish trade associations, co-operatives and government departments.

Industrial Progress

The new government has set up a Central Planning Organization to review present investment projects, and hundreds of the old ones have been scrapped. It is expected that a comprehensive Five Year Plan for economic development will be agreed upon in the course of the current year and put into effect at the beginning of 1962.

The Organization consists of one division for economic and one for social planning, plus a third for coordination. It is headed by an Under-Secretary of State for Planning and is responsible to a High Planning Council consisting of the Prime Minister and three other Ministers.

Some New Industries

Meanwhile several important new industries are being established in advance of the over-all plan. These include a tire plant to be built in 1961/62 by Pirelli near Istanbul with an initial production of 120,000 tires a year, increasing eventually to 250,000, and an insecticide and chemicals plant to be established at Izmit, about 30 miles east of Istanbul. The latter is expected to produce 8,150 tons of caustic soda a year, 3,000 tons of DDT, 3,000 tons of BHC, and 740 tons of hydrochloric acid from local raw materials such as salt, ethyl alcohol and benzol. The foreign exchange component of the cost of the plant, some $2.8 million, is being supplied by the Development Loan Fund. The plant is expected to save the country some $3 million a year in foreign exchange.

The most important new proje is the iron and steel plant to l constructed at Erigli on the Bla Sea coast, at a total cost equivale to $245 million. The agreement w signed in Ankara on January 9 l the Minister of Industry and t director of the DLF, which is su plying a credit of $130 million; is said to be the largest credit DL has ever extended for a single i dustrial undertaking. It is unde stood that repayment is to be ov a period of 20 years at 5¾ per cen all but $31 million will be repayab in Turkish lira.

The plant is to be directed a controlled by the Erigli Iron a Steel Corporation. Although t Turkish Government will invest t equivalent of $23 million, t corporation will be a private ente prise. It is reported that the remai ing finance will be supplied follows: $15 million by a U.S. co struction consortium (Messrs. Ko pers Inc., Blaw-Knox, and Westin house International); $15 milli by U.S. banks headed by the Cha International Investment Corpor tion; the equivalent of $20 milli on long-term credit from Europe suppliers of equipment, and the r mainder by private Turkish pa ticipants, including the Karabu Iron and Steel Corporation and t Sumer Bank.

The plant will unquestionably a landmark in the modernization Turkey. It will produce the fi rolled steel, employ over 3,0 workers directly and many othe indirectly, and ultimately effect huge saving in foreign exchange. will produce 470,000 tons a yea which can be raised later to o million tons. Construction sta this coming June and is to finished before the end of 1964.

Harvest Is Disappointing

Earlier hopes that the new a ministration would be helped in i task of restoring economic order exceptionally good crops have n been entirely realized. Record cro of tobacco (140,000 tons est mated) and of figs (40,000 to timated) are in prospect but sul- na production, although better in uality than in 1959, is expected to e down 25 per cent to 75,000 ns.

The latest estimate for filberts nazelnuts) is 25,000 to 28,000 ns, as against over 40,000 tons 1959. At one time it was hoped at olive production would reach 00,000 tons, but this figure has een cut to 65,000 tons—still omewhat above the ten-year aver- ge. Estimates of the cotton crop ary between 135,000 and 170,000 ns compared with 165,000 in 959.

The latest available estimates for e 1960 cereal crop (the 1959 ctual production figures are given r comparison) are:

	1959	1960
	(metric tons)	
Wheat	7,852,000	8,600,000
Barley	3,300,000	3,700,000
Rye	665,000	700,000
Oats	479,000	500,000
TOTAL	12,296,000	13,500,000

Wheat production was disap- ointing. Earlier in 1960 the hope as that 300,000 tons of durum ould be available for export, but here was little or none, and 450,- 00 tons of wheat will probably ave to be imported before the next rop arrives. All of this will come om the United States under PL 80. One PL 480 contract for 120,- 00 tons was signed on October 22, 960, and a second for a further 00,000 tons on January 11, 1961.

rade with Canada

Canada and Turkey have not itherto been important trading artners but the possibility of a uch greater movement from Can- da to Turkey should not be dis- issed.

Since World War II Canadian ales to Turkey have ranged etween $500,000 (1957) and 1,500,000 (1958) a year. Figures r twelve months of 1960 are not et available but for the first eleven they total $1,538,000 as against $858,000 for the same period in 1959. It is probable that they will reach at least $1,800,000 for the full year as against $1,127,000 in all of 1959. The substantial increase resulted mainly from larger sales of aluminum products.

MAIN CANADIAN EXPORTS TO TURKEY

	1959	1960
	(eleven months) (in Can. $)	
Total (eleven months)	**883,289**	**1,625,875**
Of which:		
Aluminum, semi-fabricated (high tension cable)		814,928
Aluminum primary forms	454	33,115
Machinery and parts, n.o.p.	7,230	119,947
Sheet and strip, steel, n.o.p.		73,027
Plates, sheets and strips, steel	7,439	
Ploughs and parts, n.o.p.	51,239	38,138
Pneumatic tires for trucks and buses	123,111	65,531
Pulp, sulphite bleached, paper grades		49,866
Plastics, synthetic rubber, not shaped, n.o.p.		33,297
Drugs and chemicals, n.o.p.	135,293	36,135
Nitrogen fertilizer, n.o.p.		29,500
Manufactures of iron, n.o.p.	266	46,628
Autos, passenger, new, over $1,000	6,299	16,782
Motor vehicles, n.o.p. and parts		18,651
Engines, aircraft and parts	3,578	15,327
Radio wireless apparatus	142,951	14,502
Whisky	44,668	65,316
Stoves, n.o.p., heating apparatus	10,700	22,971
Cattle hides, raw		32,230
Pneumatic tires for tractors	7,820	24,880

Canada's purchases from Turkey are, unfortunately, relatively small; they have ranged in recent years from about $500,000 (1958) to $900,000 (1959) a year. During the first nine months of 1960 they totalled $636,000 as against $661,000 in the same period of 1959 and consisted of a handful of agricultural commodities, as the following table shows:

	1959	1960
	(nine months)	
Total imports	**$661,495**	**$636,408**
Of which:		
Walnuts, shelled	287,593	46,646
Tobacco, Turkish, unstemmed	162,430	129,511
Filberts, shelled	83,894	334,711
Figs, dried and fig paste	71,609	7,258
Cotton linters and fibres	33,280	75,101
Wool washed or scoured		16,314

Canada has bought some Turkish chrome ore in certain years—21,000 tons valued at $88,000 in 1958—but this movement seems to be spasmodic.

Statistics are not yet available for all of 1960 but the table on the left shows exports of Canadian products to Turkey during the first eleven months of 1960, compared with the same period in 1959.

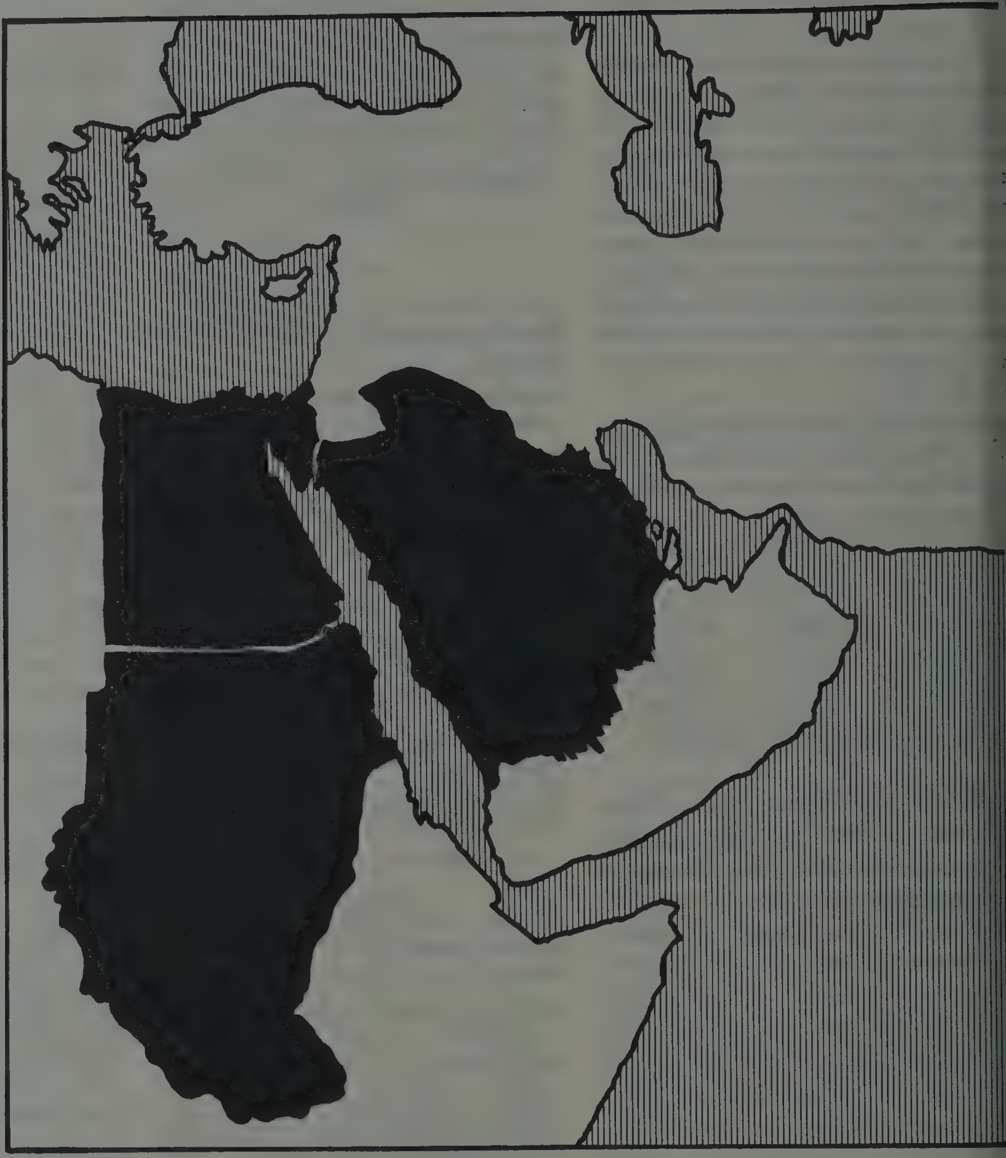
Future Prospects

Although Turkey, in common with most of the vast continent on whose western frontier she stands, faces formidable problems in her efforts to modernize her economy, she has definitely made a start. Given peace, adequate administrative efficiency, and the fertilizing presence of long-term venture loans and credit, the modernizing process should continue and prosper. In so doing it should present real opportunities to Canadian, as well as to other foreign, industrialists and traders who are prepared to accept some risks in an exotic and beautiful area of the world.

Reports on Israel and Cyprus

B. A. Macdonald, Commercial Counsellor in Athens, Greece, plans to visit Israel and Cyprus shortly and we expect to publish his reports on these two countries soon after his return to Athens.

The Middle East



the Cairo office reports

United Arab Republic

Egyptian Region

D. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

VHEN the 1960 trade statistics are nally collated, they will probably how that it was one of the best ears for foreign trade and invisible xports in Egypt's history. More coton was sold at better prices and nore sales were made to the West or convertible foreign currencies han in any recent year. Similarly, ther exports such as rice, cotton arn and cloth, onions, potatoes, eanuts, sugar, citrus fruits and etroleum enjoyed a successful year. The tourist industry set new records nd for the first time extended into he summer hot season. And Suez Canal revenue rose, not from a reater number of ships but from ncreased tonnage carried by fewer nd larger vessels.

Despite the improvement in earnngs, Egypt maintained its severe nport restrictions and foreign exhange controls. The fact is that eserves of foreign exchange have ropped to a critically low level beause sizable payments have been nade for nationalized British proprties, for the Suez Canal, and to he Sudan. In addition, there were epayments on loans and credits xtended by various Western counries and institutions. Economists laim that these purchases of capital ssets from foreign owners are good n the long run but the immediate ffect is to strain financial resources everely.

Development Plan Begun

Last year the Second Five-Year Development Plan began. This comprehensive plan covering all phases f the economy is expected to cost £E295 million. Industrial development, followed by communications, transportation and storage are the two major sectors. The funds required will come from local sources (mainly public but some private) and from foreign loans and credits. Of the latter, Egypt now has available a total of £355 million although not all of this is in foreign currency and most of it is tied to specific projects and/or specific donor countries and agencies. These include the World Bank (for the Suez Canal), the U.S.S.R. (for the Aswan High Dam and various industrial projects), West Germany, East Germany, Japan, Yugoslavia, Italy, Czechoslovakia, the United States, the Netherlands and Switzerland. Canada has not participated in Egypt's development plans, with one small but notably successful exception—consulting engineering services in the pulp and paper field.

The year 1960 brought a number of nationalization measures in Egypt. In February the National Bank of Egypt and the Banque MISR group came under complete government control. The former acted as a central bank and the latter was a wholly Egyptian-owned industrial and financial complex, the largest of its kind in the Middle East. The nationalization of the press included one paper which was some 80 years old. In the third quarter, the drug and pharmaceutical importing and distributing trade, certain bus companies, and the tea importing, packing and distributing trade came under government control. In December, all Belgian interests (including the successor to the famed *Shepheards Hotel*) were nationalized. These moves, particularly the nationalization of the Banque MISR group, gave the Government complete and centralized control of the economy.

Last year Egyptian traders . . .

- Increased their exports by an estimated £E47 million.
- Raised their imports by about £E4.3 million.
- Boosted their sales to North and South America by £E13 million.
- Carried on a record trade with the Communist countries.
- Bought from Canada goods worth $351,000 more in first three quarters of 1960 than in the same period of 1959.

Foreign Trade

Egypt's official foreign trade policy includes continued efforts to find foreign markets and sources of supply in as many and diverse countries as possible, to avoid dependence on any one group of countries. The present policy of attempting to conduct trade between individual countries by exchanging commodities on a reciprocal basis within agreed quotas will also continue. To this end, licences for imports are issued with an eye to the trade balance and West Germany and the United Kingdom, where some licences have been issued, have been specifically excluded as sources.

Points in the accompanying table of Egypt's foreign trade worth comment are:

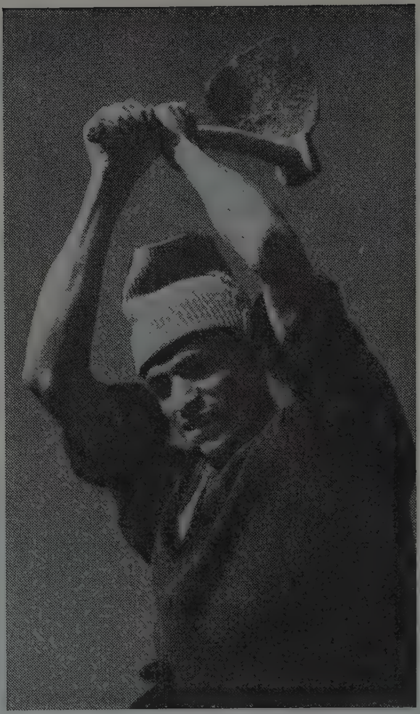
1. The unfavourable balance of trade is likely to be considerably lower than in previous years because of a hold-the-line policy on imports and a successful year for exports.

2. Sales to Communist countries will probably reach a record value; this results from exports of commodities other than cotton, which declined in volume.

3. The favourable trade balance with the Communists cannot be used to offset the imbalance with the West because the currency is not convertible.

4. The unfavourable trade balance with North and South America results mainly from Egypt's purchases of wheat and flour under PL480 (800,000 tons in 1959/60 and 900,000 tons in 1960/61) which are paid for in local currency.

5. In addition to wheat and other surplus agricultural commodities supplied by the United States, there was a sizable increase in trade between Egypt and Cuba in Egyptian cotton yarn and cloth, rice and onions in exchange for Cuban sugar. The United States also purchased a fair quantity of Egyptian yarn and grey cloth.



An Egyptian peasant works the land in the primitive way; helps to raise the farm products, including cotton, so prominent in his country's foreign trade.

Trade with Canada

Canadian exports to Egypt showed a modest increase of $351,000 for the first eleven months of 1960 compared with the same period in 1959. This was almost entirely accounted for by a sale of tire fabric, although there were slight increases in metals, engines and parts, radio, electrical and scientific apparatus. Discounting exports which can be classed as aid—supplies for Canadians in the United Nations Emergency Force, gifts to Palestine refugees and children's relief, etc.—Canadian exports may reach $1.7 million, almost double the comparable 1959 figure.

CANADA'S TRADE WITH EGYPT

(in Canadian dollars)

	Exports to	Imports from
1958	1,207,344	271,235
1959	1,958,399	281,329
1960 (9 months)	1,556,657	516,631

DBS figures.

What are future prospects for Canadian trade? Egypt's bilateral trade policy and her success in getting credits and loans from other countries have lessened our opportunities. Exports in recent years have been confined to a limited range of raw materials which are essential and unobtainable elsewhere. Recently, however, there has been a marked increase in our purchases from Egypt of agricultural commodities other than cotton. A contract has been signed for 6,000 tons of peanuts valued at $1.75 million, which is five or six times our average imports in the last few years. It is to be hoped that this will mean a greater interest in Egypt in what we have to offer than has been the case in the past.

FOREIGN TRADE OF EGYPTIAN REGION, UNITED ARAB REPUBLIC

	Imports from			Exports to			Balance of Trade		
	1958	1959	1960 est.	1958	1959	1960 est.	1958	1959	1960 est.
	(millions of £E)								
Arab League	10.2	9.5	7.7	15.0	12.0	12.9	+ 4.8	+ 2.5	+ 5.2
Communist Bloc	84.7	58.5	60.1	81.6	72.6	100.0	− 3.1	+14.1	+39.9
Western Europe	102.2	98.2	88.5	42.5	44.8	38.3	−59.7	−53.4	−50.2
Asia, Africa and Australasia	19.5	13.3	19.3	21.6	13.6	25.9	+ 2.1	+ 0.3	+ 6.6
North and South America	21.6	31.6	39.8	3.7	3.8	16.8	−17.9	−27.8	−23.0
TOTAL	238.2	211.1	215.4	164.4	146.8	193.9	−73.8	−64.3	−21.5

Articles on Egypt appearing in *Foreign Trade* last year included one on the changing Egyptian market (June 4), on land reclamation (October 8), on the cotton industry (December 17), and on industrial expansion (December 31). The market for wheat in Egypt was analyzed in the April 23 number and for paints and varnishes on November 19.

Saudi Arabia

mports into Saudi Arabia from Canada continue to grow, with eed wheat in the lead. Two years of austerity have brought conomic improvement but more development needed.

. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

T the turn of the year, merchants
 Saudi Arabia were asking "where
o we go from here?". It is some-
hing of a paradox that although
conomic and financial conditions
nproved markedly during 1960,
usiness conditions have remained
tagnant. It is even more of a para-
ox that Canadian sales increased
vhen imports generally ran at a
nuch lower rate than in previous
ears. The explanation of these
aradoxes is simple but requires
eaching back into recent history;
 also has a bearing on changes
n the Royal Cabinet last Decem-
er, the most important of which
vas the resignation of Prince Faisal
nd the assumption of his responsi-
ilities as Prime Minister and Minis-
er of Finance by King Saud and
Prince Tallal.

ffects of Austerity

Between 1952, when oil produc-
ion reached significant proportions,
nd 1958, when a financial crisis
rought Prince Faisal in as Prime
Minister, Saudi Arabia indulged in
verspending and heavy borrowing.
This led to inflation, rising prices,
nd a high level of business activity
n a "go now, pay later" basis.
The Government, with the help of
xperts from the International
Monetary Fund, instituted an aus-
erity program and within two years
nflation was stopped, debts paid,
nd currency values stabilized. The
cost of living was held in check,
partly by subsidizing basic com-
nodities, and for the first time a
budget was adopted that clamped
down on public works projects.

The swing from free spending to
austerity brought unemployment and depressed business conditions. Many merchants who found money tight and turnover slow felt that the program had been carried too far; critics argued, for instance, that deflation had resulted in an overvalued rial (the Saudi currency unit). A flight of capital last year to Egypt, Lebanon and Europe is said to have taken place because of lack of confidence. Yet there have been few bankruptcies and the country is overstocked with subsidized foodstuffs.

The experts realized that to bring economic order out of chaos was only the first step. The Governor of the Saudi Arabian Monetary Agency (which acts as a central bank) told me last year: "To rest where we are now is liable to bring another period of chaos. We must divert the dynamism that we have built up in our austerity program to economic development." Economic development requires expert planning, which in turn takes time and after that, funds must be made available to execute the program. Though Saudi Arabia has had the benefit of a World Bank survey, there has not been sufficient time nor budgetary provision to make much headway.

Although the bottom has dropped out of the building boom, there has been some activity in road construction and port development. Roads are being built between Riyadh, the capital, and Dammam, the principal Persian Gulf port, and on the Red Sea side between Mecca and Taif and between Tabuk and Medina. The ports of Jizan and Yenbo, both on the Red Sea, are being developed. An agreement drawn up in 1955 with Jordan and the Syrian Region of the United Arab Republic to rebuild the Hejaz Railway of World War I vintage has been ratified. To increase agricultural land, 10,000 acres of swamp are to be drained at Qatif, an oasis near the Persian Gulf.

Oil Output Rises

Oil production by Aramco, the country's largest producer, averaged 1.2 million barrels per day, an increase of 13 per cent over 1959. The Getty Oil Company, operating in the Kuwait-Saudi Arabian neutral zone, also stepped up its production to between six and seven million barrels. The Japanese Arabian Oil Company discovered oil in its offshore concession and expects to produce at the rate of 6,000 barrels a day. Increased oil production has more than offset the cut of 6 per cent in posted prices that took place last August. A refinery with a capacity of 20,000 barrels a day is to be built at Jeddah by a U.S. engineering firm for a locally owned company.

Trade with Canada

Canadian trade figures for 1959 and 1960 are not strictly comparable because of a statistical reclassification put into effect last year.

EXPORTS FROM CANADA TO SAUDI ARABIA

	Jan.-Nov. 1959*	Jan.-Nov. 1960
	(Can. dollars)	
Canned and prepared food	18,497	4,643
Wheat, flour, barley	1,729,039	2,313,144
Autos, trucks and parts	638,588	156,077
Clothing	15,228	1,404
Domestic appliances	35,916	45,516
Clocks, watches, pens, pencils	69,122	54,830
Engines, hardware, iron and steel products	22,929	25,297
Radios and electrical apparatus	2,919	20,450
Drugs and chemicals	17,239	2,318
Total	2,549,477	2,623,679

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*Before January 1, 1960, figures for Saudi Arabia included Bahrain and Kuwait.

Nevertheless, there was an obvious increase in Canadian sales, as the accompanying table illustrates. Although there are some 90 items listed in Canadian export statistics, seed wheat is by far the most important. Last year Saudi purchases of Canadian seed wheat went up 33 per cent, because the Government instituted a subsidy scheme for essential food imports which gave importers the impression that they would be paid to import. The result, of course, was overbuying by merchants who were new to the trade. It is questionable whether, in the light of the large stocks on hand, Canadian sales will continue in 1961 the rate of increase achieved during the last five years or more. ●

Sudan

Brisk cotton sales at high prices, sound trading policy, foreign loans have brought economic recovery. Gradual relaxation of import controls is opening up long-closed market to Canadians.

D. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

THE recovery that began in the Sudan in 1959 continued throughout 1960 and today the economy is healthy. In both years, a substantial surplus in trade and payments was achieved. A deficit in the balance of trade in 1958 of £S16 million was turned into a favourable balance of £S9.7 million in 1959 and may exceed that figure in 1960. Foreign exchange reserves have been increasing at an average of £S3.5 million a month and at the end of August stood at £S60 million. The Government has succeeded in keeping ordinary and development expenditures stable and has at the same time increased revenues, thus keeping inflation in check.

Factors in Recovery

The reasons for this remarkable recovery following three years of decline were first and foremost a successful cotton-marketing policy. Because cotton accounts for two-thirds to three-quarters of Sudan's exports, it is the key to prosperity. The second reason was the policy of restricting imports for both the general market and for government account. The third was assistance received from abroad in the form of loans, credits and outright grants. For example, aid from the United States during 1959/60 totalled $13.3 million and the International Bank for Reconstruction and Development granted a loan of $15.5 million to the Managil extension of the Gezira cotton area, to be used for ginning factories, railway equipment, tractors, and so on. Now that the Sudan and the United Arab Republic have reached agreement on the sharing of Nile waters, the World Bank is considering an application for a loan to help finance the building of the Roseires Dam on the Blue Nile.

Cotton Sales Satisfactory

At the cotton auctions, sales were maintained at a satisfactory rate throughout the year and prices received were considerably higher than in 1958/59. Exports of 680,000 bales were better than average, although less than the 792,000 bales disposed of in the previous year when a large carryover was added to the normal crop. Earnings from cotton last year exceeded £S40 million. The United Kingdom maintained its traditional position of largest cotton buyer, followed by India, Communist China, Russia, Italy, West Germany, France and Japan. No sales were made to Canada this year, presumably because the price was too high. In 1959 when the price was competitive a small purchase proved eminently satisfactory to Canadian mills. Canada regularly buys from the Sudan gum arabic, the country's second most important export, accounting for 10 per cent of her sales abroad.

Development Projects

Economic development on a scale tailored to suit the Sudan's resources is proceeding steadily. An eight-year program to cost £S250 million has been drawn up. In addition to the Roseires irrigation and hydro-electric scheme and the Managil extension (both mentioned previously), plans are being made to resettle 20,000 citizens of Wadi Halfa, a town near the Egyptian border that will be inundated by the Aswan High Dam reservoir. It is expected that they will be moved to Kashemel-Girba on the Atbara River, a tributary of the Nile in northeastern Sudan. Another multi-purpose dam will be built and partly financed by compensation from the United Arab Republic. The Government is currently studying proposals for this project.

Other projects under construction or planned are a 60,000-ton-per-year sugar mill being built by West German interests, a pharmaceutical plant by the Italians, two oil refineries by Italian and British groups, a flour mill by the Italians, a second cement plant by the apanese and an extension of the irst cement plant to produce 180,000 tons per year.

mport Controls Relaxed

With the improvement in eco-omic conditions, the Sudan has dopted as its import policy the ontrolled relaxation of restrictions. n July 1960, 26 items of impor-ance to the business community vere put under Open General Licence and imports last year rose ubstantially above those of 1959. n addition, the Sudan has reduced mport duties on food, building naterials, and agricultural and in-lustrial machinery.

The trade and payments agree-nents negotiated with certain Com-nunist countries and the United Arab Republic when the Sudan was ard pressed for foreign exchange ave not proved popular. There is a desire to get away from bilateral and barter trade but thus far it has not seemed possible to dispense with them altogether. Thus the agreement with Russia has been renewed at the modest figure of £S2.56 million and with several additional commodities which Russia is to supply—fertilizers, machinery, manufactured goods, cement and sugar. Similarly the agreement with the U.A.R. was extended to June 1961 at the same figure—£S6 million.

Trade with Canada

Canada's trade with the Sudan has never totalled more than a few hundred thousand dollars in both directions, partly because the Sudan is not a large market and for the last 25 years has restricted imports of dollar goods. Improved domestic conditions and the convertibility of all Western currencies mean that opportunities for Canadian trade are now appearing. In the almost total absence of a history of trade with Canada, it is not easy to suggest specific commodities that might find a market in the Sudan, but machinery and equipment, manufactured and consumer goods are good prospects. It must be remembered, however, that other suppliers have either been doing business in or studying the Sudanese market for years, and the knowledge so gained gives them an initial advantage over Canada. ●

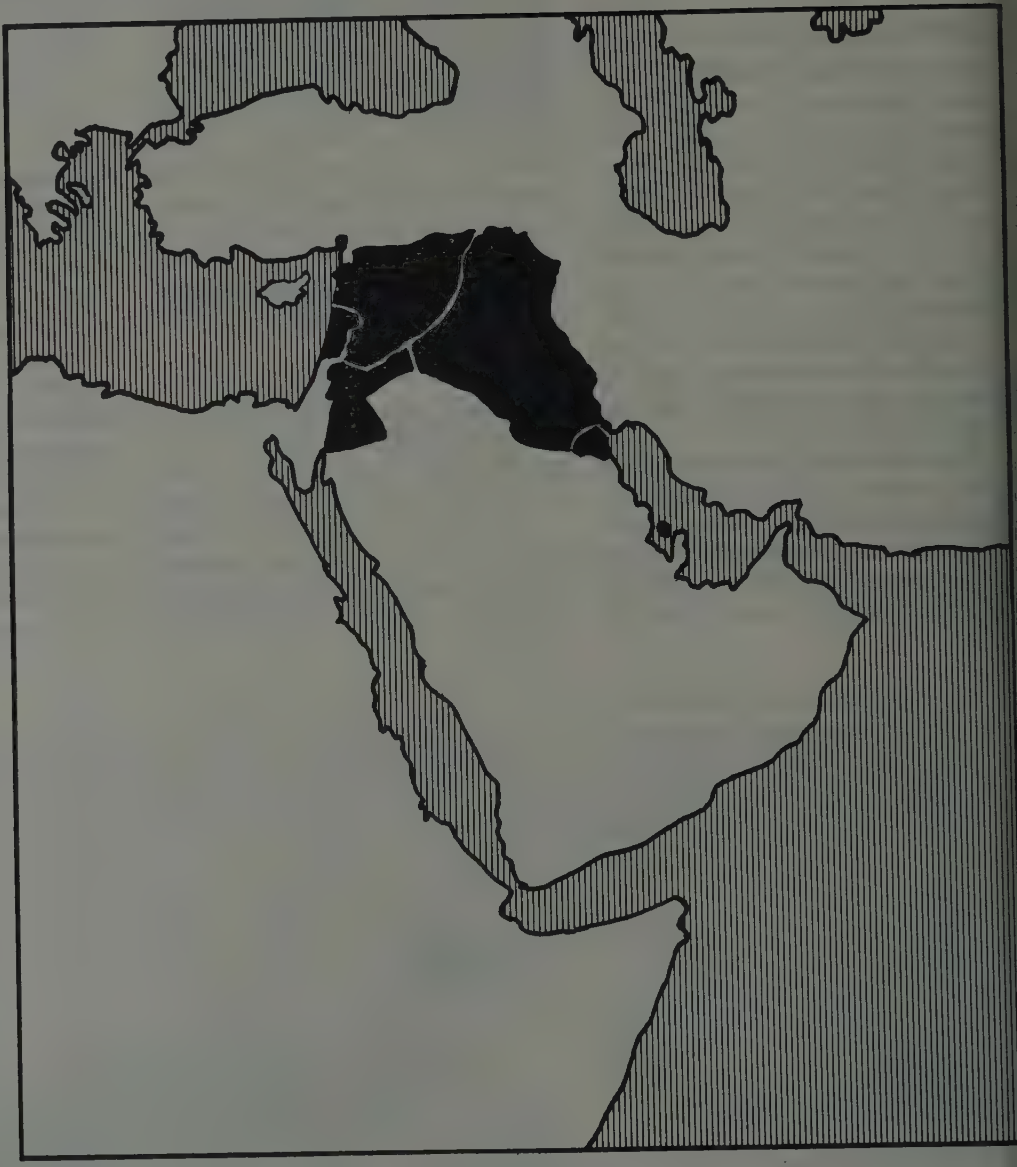
CANADIAN TRADE WITH THE SUDAN

(in Canadian dollars)

	Exports to	Imports from
1958	185,613	80,058
1959	368,239	441,107
1960 (9 months)	267,157	31,816

A farmer in the Gezira irrigation district, now being extended, is adjusting the flow of water to his land.

The Middle East



the Beirut office reports

Iraq

Developments in Trade

1. Government Purchases Administration set up, to help dispose of Iraqi products in foreign markets, ensure adequate supplies in local market.

2. Three successive poor harvests have made large grain imports necessary; need continues.

3. Consumer goods from Western countries again replacing those from Eastern Europe.

4. Licensing program for 1960 more liberal, with no discrimination against dollar goods.

5. Agencies now restricted to Iraqi nationals or companies with major Iraqi participation, with a few exceptions.

W. B. WALTON, *Assistant Commercial Secretary, Beirut.*

DURING the past year, the economy of Iraq recovered a good deal of its former stability. The Government of Prime Minister Abdel Karim Kassem has been making strenuous and largely successful efforts to develop both commerce and industry to a greater degree. In the last half of 1960, business activity improved and the large and regular issue of import licences for certain types of consumer goods helped to stabilize prices. The steadily rising demand for manufactured products was reflected in increased customs receipts, which during the first seven months of 1960 rose ID4 million above the same period in 1959.

A Government Purchases Administration was set up at the end of 1959. This non-profit organization, which has a nominal capital of ID250 thousand, is designed to assist in disposing of Iraqi products in foreign markets and to ensure adequate supplies in the local markets. It may import goods ordered by government or semi-government agencies but will not compete with private trade, except when it is necessary to ensure price control and dispose of surplus production. It also assists in the implementation of trade agreements.

Four Year Plan Progressing

The Economic Development Board established during the monarchy has been replaced by an Economic Planning Council attached to a new Ministry of Planning. The four-year ID400 million Economic Development Plan became law in December 1959. It has allocated funds as follows:

Projects	Number	Value (millions of ID)*
Agriculture	86	47.94
Industry	109	38.73
Communications	274	100.83
Housing	174	76.41
Public building	122	50.48
Health		24.6
Culture		39.19
Projects under the Iraqi-Soviet Economic and Technical Co-operation Agreement		10
Reserves		4
Total		**392.18**

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*ID1=1,000 fils=£1=U.S.$2.80.

Expenditure is planned as follows:

Financial year	millions of ID
1959-60	80.15
1960-61	143.94
1961-62	99.56
1962-63	47.72

This temporary four year plan will probably be absorbed into a permanent seven year plan later.

International Aid Offered

In August 1960, the Government ratified two agreements with the United Nations covering the UN Special Fund and the Special Accord on Technical Assistance. Under these agreements, the United Nations will extend assistance to further social progress and raise the standard of living. This will make the technical aid of organizations such as ILO, FAO, ICAO, WHO, and UNESCO available to Iraq.

The Government recently approved a project for establishing an institute of technology with aid from UNESCO. The Iraq contribution will be ID100,000; UNESCO will give ID342,000 for machinery, salaries of experts and the cost of training Iraqis abroad. Moreover, an institute for veterinary research is to be established with the cooperation of the UN Special Fund. The latter will make a grant of $355,500 and Iraq will contribute $320,850 as its share of the cost.

In June 1960 Iraq, which is a member of the International Monetary Fund, agreed to raise its contribution from $8 million to $15 million. It has also decided to subscribe to the International Development Association of the World Bank, making a contribution of $760,000.

Cereal Crops Disappointing

Iraq normally grows enough wheat for its own needs but has had three successive poor harvests because of drought, damage by locusts and, to some extent, the agrarian reform. The final estimates for the 1959-60 wheat crop are 760,000 metric tons compared with

757,000 in 1958 and 1.1 million in 1957. Barley estimates for 1959-60 are 730,000 tons and some barley may be available for export. As domestic consumption of wheat runs up to a million metric tons a year, wheat was imported in 1959 and again in 1960. Although official statistics are not available, it is understood that Iraq bought approximately 310,000 metric tons of wheat in 1959, of which 55,000 were from Canada, 225,000 from Australia, and 30,000 from Turkey. Wheat purchases to the end of August 1960 totalled 85,000 metric tons, with Australia providing 43,000, the U.S.S.R. 30,000, and Canada 12,000. The outlook for the 1960 harvest is not promising and wheat imports for 1960 and in early 1961 may reach 400,000 to 500,000 metric tons.

Foreign Trade

Soon after the July 1958 revolution, Iraq's economic orientation towards Eastern Europe became clearly discernible. However, her traditional trade and financing contacts with Western countries, particularly the United Kingdom, remained important. The pendulum now appears to be swinging back towards centre. Iraqi importers who bought large quantities of consumer goods from Eastern Europe and Communist China soon found themselves overstocked and consumer demand declined. The higher quality of Western goods to which the Iraqi consumer was accustomed placed the products of Eastern European countries (with the exception of Czechoslovakia) in an unfavourable light. Now consumer goods from the United Kingdom, United States, Denmark, West Germany, Sweden, Australia, etc., are once again being sought.

Exports in 1959 (excluding oil) totalled $32.1 million, down from the 1958 figure of $39.9 million. Exports to the United Kingdom exceeded $4.2 million, the United States and Kuwait each took more than $2.8 million, and shipments to Lebanon, India and the U.S.S.R. reached about $2.8 million each. Exports to the Soviet bloc rose from practically nothing in 1958 to $6.1 million in 1959.

These palm groves near Basra in southern Iraq yield one of its main exports, dates. With some 20 million date palms, Iraq ranks as the world's number one producer.

Exports Rise

Crude oil exports rose to 38.9 million long tons in 1959, up from the 1958 figure of 33.3 million. Oil revenues received by the Government as its share of petroleum exports totalled $223.7 million in 1958, $242.5 million in 1959, and $196 million in the first nine months of 1960. The principal markets in 1958 were Italy, the United Kingdom, West Germany, France, Indonesia, Aden, the Netherlands, Japan and Spain.

Iraq's main exports apart from petroleum are dates, cereals, raw cotton, raw wool, live animals, raw hides and skins. The table below gives details on Iraq's exports in two recent years. Note the drop in date exports.

EXPORTS

Commodity	Value	
	1957	1958
	(millions of ID)	
Dates	3.45	2.86
Cereals	3.22	5.17
Raw cotton	.96	1.3
Raw wool	1.49	.92
Live animals	.42	.64
Raw hides and skins	.36	.34

N.B. Export statistics for 1959 by commodity and country are not yet available.

According to the Iraqi Ministry Planning, imports in 1959 alled $326.2 million compared th $307.4 million in 1958 and 41.6 million in 1957. The main oducts imported and their ap- oximate values are as follows:

mmodity	Value		
	1957	1958	1959
	(millions of ID)		
n pipes	2.9	6.5	9
gar and grain	11.2	8.2	6
tificial silk piecegoods	6.2	5.3	5
ils and profiles			4
tton piecegoods	3	2.8	4
ectric generators and motors	1.8	2.4	3
ood and wood materials	3.1	2.8	3
ernal combustion engines	4.1	2.1	2.25

aq's principal suppliers during 959, in order of importance, ere:

Country	Value of Goods Shipped to Iraq		
	1957	1958	1959
	(millions of ID)		
United Kingdom	34.9	30.2	36
United States	17.7	15.2	12
West Germany	11.9	12.6	10
Japan	8.9	8.6	8.5
Ceylon	6.6	5.7	6.5
Belgium	5.8	6.8	5.5
Netherlands	3.1	3.3	4
Australia	1.9	1.1	3

nports from the Soviet bloc in- eased to $18.8 million in 1959, ompared with $5.9 million in 958.

rade Regulations

A law regulating the formation agencies was passed on January 3, 1960. Under its terms, only aqi nationals, or Iraqi companies ith a majority of Iraqi national articipation, may hold agencies. xport agencies and certain others quiring special technical expe- ence are exempted from the scope the bill.

Import licences and foreign ex- hange permits are required for all nports into Iraq. The 1960 licens- g program, which was in the same basic form as the 1959 one, classified imports into three categories, regardless of source: (a) first category commodities, limited by allocations and licensed against quotas at selected times during the year; (b) second category commodities, which are prohibited; (c) third category—all other commodities for which there is no quota and for which import licences may be requested at any time.

A licence normally entitles the holder to the necessary foreign exchange. Import licences for hard currency goods are valid for one year; those for soft currency goods are valid for four months.

First category commodities include: textile piecegoods, motor cars, cigarettes and cigars, ready-made clothing and accessories, textiles, carpets, chocolates, biscuits, macaroni, salt, alcoholic beverages, fruit juice, concentrated tomato juice, footwear, leather, jewellery and toys, shaving soap and perfumes, chewing gum, playing cards, etc.

Second category commodities include: wooden furniture, woollen blankets, lining leather and half-tanned skins, tobacco, cement, edible vegetable oil, lubricating oil, beer, nails, ready-made aluminum articles, safety matches, galvanized iron buckets, ethyl spirit, toilet and laundry soap, ghee, fireworks, etc.

The 1960 program is on the whole more liberal than that for 1959 and does not discriminate against any currency. Passenger cars, prohibited in 1959, were given a quota equivalent to $8.4 million, and the cigarette and cigar quota was raised from $280,000 to $980,000. Import licences for canned foodstuffs are granted freely. Because of Iraq's long experience with English currency, quotations in sterling are preferred although quotations in U.S. dollars are widely used and accepted.

The Minister of Trade has stated that this year's program is based on four principles:

1. protection of national industry
2. reduction of imports of non-essential materials
3. ensuring supplies of essential consumer goods and materials required for production
4. meeting the real needs of the local market in view of its depleted inventories.

Canadian Trade with Iraq

Canadian exports to Iraq totalled $970,000 in 1958, $4.2 million in 1959, and $2.3 million in the first eleven months of 1960. The increase in 1959 is accounted for by the large amount of wheat, worth $3.5 million, sold to Iraq as a result of a poor cereal crop there. For the same reason, sales of farm implements dropped from $128,000 in 1958 to $3,000 in 1959. Asbestos sales, which fell from $28,000 in 1958 to $14,000 in 1959, appear to be recovering.

Other commodities exported included powdered milk and prepara-

CANADIAN EXPORTS TO IRAQ

Main Commodities	12 mos. 1958	12 mos. 1959	First 9 mos. 1960
	('000 $)		
Wheat		3,496	71
Washing machines and parts	40	112	113
Milk powder and preparations	116	333	58
Cars and parts	223	86	64
Primary aluminum	159	95	5
Stoves and parts	49	51	24
Asbestos and products	28	14	64
Tires and tubes	99	32	17
Medicines, drugs and chemicals	19	30	7
Mining and shoe machinery, etc., and parts	36	3	26
Polystyrene			4
Plastics			29
Lumber	4	8	4
Iron bolts and nuts	12	11	9
Upper leather	2		6
Farm implements and parts	128	3	
Synthetic resin manufactures	20	14	
Refrigerators and parts		1	5
Lamps and lanterns	13	.9	

tions, washing machines and parts, cars, primary aluminum, stoves and parts, tires and tubes, medicines, drugs and chemicals, plastics, synthetic resin manufactures, nuts and bolts, asbestos and products, and lumber.

Canada imported from Iraq during 1958 commodities valued at $1.56 million, as against $1.11 million in 1959 and only $9,490 in the first nine months of 1960. The only significant items were crude petroleum and dates. Crude petroleum imports fell in value from $620,000 in 1958 to $505,000 in 1959 and disappeared entirely in the first nine months of 1960; date imports dropped from $936,000 in 1958 to $601,000 in 1959 and to $8,601 in the first three quarters of 1960.

The Iraqi market is one of the most important in the Middle East and Canadian exporters would d well to study the opportunities i offers for sales of consumer goods bulk commodities, capital equipment and consulting engineerin services. The economy, aided b substantial and regular oil revenues is steadily expanding. This, wit the long-range development program and the population of abou 6.5 million, is creating an extremel interesting, substantial market. ●

United Arab Republic

Syrian Region

This analysis of Syria's main imports, and the sources from which they come, defines the areas in which Canadian suppliers might compete.

C. O. R. ROUSSEAU, *Commercial Secretary, Beirut.*

IN a report on Syria which appeared in the October 8, 1960, issue of *Foreign Trade,* various aspects of economic life in the Syrian Region of the U.A.R. were discussed. The present article deals mainly with the groups of commodities imported into Syria, their volume and value, and the main supplying countries.

In December 1960 further restrictive monetary measures were adopted by the Syrian authorities. Commercial banks must now hold as ready cash an amount equal to at least 15 per cent of term deposits made with them for periods ranging between one month and one year. Second, banks are now forbidden to open new overdrafts covered by foreign accounts, foreign currency or foreign guarantees. The object of these restrictions appears to be a reduction in the volume of credit given to private firms and a reinforcing of the liquid reserves of local banks. This will, of course, tend to limit imports and the drain on foreign exchange.

Textiles

In 1959, imports into Syria in this group totalled (U.S.$1=S£ 3.77) S£107.4 million, or 17 per cent of all imports. Natural silk and synthetic fibres worth S£38.4 million were supplied by France, Italy, West Germany, Communist China and Japan. A further S£35.9 million was spent for wool and woollen fabrics from Britain, the United States, France and Japan. Fine cotton textiles and embroidered articles valued at S£13.6 million were imported from Communist China, Japan, Yugoslavia, Britain and France. Other textile imports included linen from India and lingerie from Italy, France and Germany.

The large Syrian textile industry used the greater part of these imports; in 1959 it exported finished products and raw materials worth $243.2 million, about 68 per cen of total production. Cotton is the main textile export and the principal buyers are Lebanon, Iraq Jordan, Saudi Arabia, France, the U.S.S.R., West Germany, Britain Czechoslovakia, Poland and Italy It is only in this textile trade tha Syria shows a worthwhile surplus o exports over imports—S£135. million.

Chemicals and Pharmaceuticals

Syria's most important supplier of pharmaceuticals are the Unite States, France, Switzerland, Ital and West Germany; in 1959, thes five countries sold her S£15 million worth of pharmaceuticals Chemicals such as tanning extracts colouring agents, varnishes and lacquers, valued at S£5.5 million came mainly from West Germany the United States, France and th Netherlands. Fertilizers worth abou S£4 million were imported fron West and East Germany and Chile Imports in this group totalled S£ 49 million, and exports only S£ million. Exports consisted chiefl of soap shipped to Iraq.

Syria is a relatively interesting arket for lumber; imports of lumer and wood products in 1959 eached S£33 million. Sweden and umania held the lion's share of the arket, with softwood (mostly pruce) exports worth S£15 milon.

According to official Canadian tatistics, sales of our Douglas fir to yria fell from $151,000 in 1958 o $32,000 in 1959 (presumably s a result of the 1959 strike in ritish Columbia). Imports of anadian Douglas fir during the rst eleven months of 1960, however, have again risen to $76,081 nd prospects for further business re promising. Other suppliers inlude Austria (S£4 million) and ussia (S£2.5 million).

ubber and Rubber Products

Syria uses only small amounts of aw rubber and in 1959 imports otalled S£224,000, mostly from apan. This rubber is used by the ootwear industry, which also imorts S£154,000 worth of soles nd heels. Total imports of rubber nd rubber products in 1959 mounted to S£17.9 million. Apart rom these items, tires and tubes rom the United States (and occasionally Canada) and general rubber goods from West Germany make up the main imports in this category.

Paper

In 1959 Syria imported paper and paper products to the value of approximately S£13 million. Included were mainly newsprint (S£320,000), kraft paper (S£1.1 million), wrapping paper (S£1.2 million), cellophane (S£2 million), cigarette paper (S£1 million), and cardboard (S£1.6 million).

Fine paper and stationery come principally from the United Kingdom, West Germany, Italy and Denmark. Newsprint and cardboard, which make up 20 per cent of imports of paper and paper products, come from Finland, Austria and Sweden.

Syria's exports of paper products consist mainly of books and printed material. In 1959, sales totalling S£800,000 were made to Turkey and Iraq.

Foodstuffs

The principal foodstuffs that Syria buys abroad are meat (frozen and canned), fish, sugar and cocoa. Several poor wheat crops in succession have made it necessary to import large quantities of flour, principally from the United States under PL 480. These U.S. sales are not considered as disrupting a traditional market because Syria is normally a large exporter of wheat and meets her own needs.

Industrial Machinery, Equipment

In her efforts to industrialize, Syria is spending large amounts on industrial machinery and equipment. Last year these imports were valued at S£82 million and were supplied mainly by the United Kingdom, West Germany and the United States. Czechoslovakia, the Netherlands and Hungary also exported to Syria over S£5 million worth of electrical machinery and apparatus.

Yugoslavia has just received a contract for 13,000 tons ($2.6 million worth) of steel pipe required for 510 kilometers of pipelines connecting the cities of Damascus, Aleppo and Latakia with the oil refinery at Homs. This contract has been awarded to the Sisak Steel Company, which will co-operate with the Italian firm TECHNICAL of Milan, which secured the contract for the laying of the pipelines.

A Syrian fisherman wades ashore at one of the small towns along the coast. Local fisheries canot supply all the domestic demand and fish products must also be imported in some volume.

Lebanon is Syria's main supplier of apples and citrus fruit, shipping S£20 million worth in 1959. Imports of dates from Iraq amounted to over S£4 million. Tea, coffee and spices were imported from Ceylon, Brazil and Haiti (S£12 million); neighbouring Arab countries such as Jordan and Lebanon supply vegetables. In 1959 the Syrian Province also bought some barley from Iraq and Canada and wheat from the United States and Turkey.

Excluding cotton (included in the section on textiles), Syria exported in 1959 agricultural products worth S£31 million, mainly cottonseed, vegetable oil, vegetable fat, tobacco, etc. The main purchasing countries were Lebanon, Saudi Arabia, Iraq, the United Kingdom, Czechoslovakia and West Germany.

Situation Difficult

In 1959 Syria had a large deficit in her merchandise account. Against imports worth S£637 million, she exported goods worth only S£356 million, leaving a deficit of S£281 million. In normal times, her wheat and barley exports give her a comfortable surplus. During the last three years, lack of rain and the redistribution of lands under the agricultural reform have resulted in poor cereal harvests. The 1960 crop was very bad and, without the help received from the United States, the country would be facing an extremely difficult situation. Because of her dwindling foreign exchange reserves, Syria has had to add to her list of prohibited imports many items that cannot be regarded as luxuries or even as non-essentials. The situation is made more difficult by the large imports required for the development and industrialization programs.

Syria is going through a very difficult period, but efforts are being made to diversify the economy, which has been based almost entirely on agriculture. The potential of the country is great and with the return of more normal conditions, it should become an interesting market. ●

Jordan

A modest but increasing demand for capital goods, engineering services and consumer products in the Jordan market should attract Canadian exporters, as economic outlook brightens.

W. B. WALTON, *Assistant Commercial Secretary, Beirut.*

DURING the Export Trade Promotion Conference in Ottawa last December, a number of Canadian businessmen stated their interest in exporting to Middle Eastern countries, including Jordan. Those who had not actually exported to that area of the world were not familiar with the exact location and nature of the country. This article therefore provides readers, both old and new, with some basic information on the Kingdom of Jordan.

A glance at the map will show that Jordan, with its capital Amman, borders on four countries: Iraq, Saudi Arabia, Israel and the Syrian Province of the United Arab Republic. Aqaba, the only port and outlet to the sea, is located at the northern tip of the Gulf of Aqaba on the Red Sea. The country has an area of 37,000 square miles and a population of over 1½ million. Of these, one-third are officially classed as refugees from what was Palestine and are provided with basic rations by the United Nations Relief and Works Agency. Another 70,000 who lost their livelihood as a result of events in Palestine are not officially considered refugees. The presence of such a large number of unemployed persons, far in excess of the country's ability to absorb them, has created a serious economic problem.

Agriculture Is Basic

Agriculture, the most important industry, supports three-quarters of the non-refugee population, mainly farmers using primitive methods. Jordan is about 85 per cent desert; the cultivated parts make up only 9 per cent of the total area. The irrigated portion of the land under cultivation is relatively small and is limited to the Jordan Valley and a few natural springs farther east. The dry-farming crops are cereals; fruits and vegetables are grown intensively in the irrigated areas.

There are a number of small industries turning out canned goods, textiles, soap, alcohol, pottery, tile and matches. The larger modern industries set up recently produce phosphates, cigarettes, cement and flour.

Jordan is relatively poor in both mineral and water resources.

Prospects Improving

The economic outlook for this little kingdom grows steadily brighter as it slowly but surely overcomes the many obstacles which lie between it and economic independence. For the third successive season, drought has prevailed; the cereal harvest has been a failure, other crops seriously affected, and the livestock population decimated. However, the economy has stood up quite well, thanks to annual grants from the United States and the United Kingdom and large gifts of U.S. wheat, flour and barley which have helped meet the food and fodder shortage.

By December 1960, the situation had improved. Commercial activity had increased, partly because of the re-establishment of political relations with Iraq (broken off after the 1958 revolution in that country) and the reopening of the border to trade. Heavy rains had raised hopes for a good cereal harvest this coming spring.

According to a recent United Nations survey of economic development in the Middle East, in

stry in Jordan, still in its initial
ages, expanded substantially be-
een 1954 and 1958. In 1954,
ere were 421 manufacturing in-
stries (five or more persons) em-
oying 8,198 persons. By the end
1957, there were 1,038 industrial
tablishments (employing five or
ore persons) providing work for
,453. During this same period
e industrial payroll more than
oubled. This expansion took place
spite of slender natural and
nancial resources.

en-Year Plan

King Hussein in his recent Speech
om the Throne reported optimisti-
lly on the country's development.
mong the achievements he men-
oned were the completion of the
esert road from Amman to Aqaba
the Red Sea; increased phos-
ate production (from 208,000
ns in 1956 to an estimated 400,-
00 tons in 1960); completion of
e first oil refinery; increased ce-
ent production (from 79,000 tons
1956 to 114,000 in 1958); estab-
shment of a new vegetable oil
ctory; a nearly completed tanning
ctory; a recently established pot-
h pilot plant on the Dead Sea,
ith plans for a larger one well
nder way; and the setting-up of a
00 kw. radio transmitter station.
he city of Aqaba is being re-
anned and rebuilt.

A ten-year Economic Plan being
awn up by the Jordanian Develop-
ent Board with the assistance of
reign experts is designed to double
e national income by 1969. A
ajor step in this direction, the
onomic agreement signed with
est Germany, provides technical
d and equipment for such projects
prospecting for minerals, a rail-
ay line from Ras-El-Nagab to
qaba, further electrification, ex-
anded tourist facilities, and the
quipping of schools and medical
stitutes. In addition, the German
overnment will give financial
uarantees to German firms to per-
it them to supply Jordan's require-
ents. Jordan is to import JD4 million* in German equipment annually, and West Germany will increase her imports of Jordanian fruits and vegetables.

The United States Government has approved a grant of $2 million so that work can start on the second stage of the East Ghor Canal scheme. This canal, when completed, will carry irrigation water from the Yarmouk River on the Syrian border to some 30,000 acres of the Jordan Valley. First stage of the scheme—a canal 13.5 miles long—is to be finished by April, at a cost of $6 million. The cost of the second stage, calling for construction of a canal about 14 miles long, is estimated at $3.5 million.

The Ministry of National Economy has allocated JD10,000 for prospecting for phosphates in an area 50 miles south of Amman. Technical studies will be provided under the United States Point Four Program for a fertilizer industry (cost $2 million), tile, plumbing, paper, pipe and other plants.

Foreign Trade

According to the Jordan Department of Statistics, imports totalled JD40.3 million in 1959, compared with JD34 million in 1958 and JD30.5 million in 1957 and are estimated at just over JD40 million for 1960. The United Kingdom's share of Jordan's imports in 1959 was JD4.8 million, and West Germany's JD4.9 million. Jordan's leading suppliers were West Germany, the United Kingdom, the United States, Italy, Lebanon, the Syrian Province of the United Arab Republic, Japan and the Netherlands.

JORDAN'S LEADING SUPPLIERS

	1957	1958	1959
	('000 JD)		
West Germany	2,461	3,755	4,895
United Kingdom	5,030	4,232	4,794
United States	2,273	2,919	3,761
Italy	1,298	1,403	3,308
Lebanon-foreign (re-exports)	2,725	1,979	3,116
Syrian Region of U.A.R.	1,940	2,816	2,958
Japan	1,328	1,372	1,747
Lebanon	1,591	1,204	1,715
Netherlands	801	1,194	1,303

MAIN COMMODITIES IMPORTED INTO JORDAN

	1957	1958	1959
	('000 JD)		
Wheat flour	1,579	2,629	3,132
Refined petroleum products	2,177	2,113	2,307
Cotton fabrics	1,584	1,410	1,822
Refined sugar	1,814	1,690	1,318
Sheep and goats	691	953	1,051
Passenger cars	444	613	967
Bars and rods of iron and steel	606	696	944
Motor vehicle chassis	469	847	746
Woven fabrics of wool	354	520	745
Rubber tires for cars and cycles	536	742	678
Wheat	167	784	670
Parts and accessories for motor vehicles	336	443	654
Cement	60	399	603
Medicaments	489	388	502
Tea	565	408	498
White timber	358	299	429
Internal combustion engines (more than 5 h.p.)	190	267	395
Barley		327	389
Tobacco leaf	269	295	324
Unroasted coffee	391	364	277
Domestic wireless and television sets	256	237	276
Electric line, telephone and telegraphic apparatus	57	396	130

In 1952, three-quarters of all imports consisted of consumer goods and one-quarter of capital goods and raw materials. By 1959, the latter had risen to 38 per cent and consumer products had declined to 62 per cent, indicating the increasing emphasis on industrial development. As a result of the recent establishment of an oil refinery in Jordan, imports of refined petroleum products will probably drop.

According to the Jordan Department of Statistics, exports in 1959 remained about the same as in 1958—JD3.1 million, compared with JD4.3 million in 1957. Successive droughts after 1957 accounted for this decrease. The main customers

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*One Jordanian dinar=U.S.$2.80.

PRINCIPAL CUSTOMERS

	1957	1958	1959
	('000 JD)		
Syrian Province of U.A.R.	1,197	971	718
Yugoslavia	436	425	631
Kuwait	209	264	398
Lebanon	999	327	386
Saudi Arabia	295	256	347
Czechoslovakia	272	282	199
Iraq	465	305	179
Poland		499	133

MAIN EXPORTS FROM JORDAN

	1957	1958	1959
	('000 JD)		
Natural phosphates	916	978	1,024
Tomatoes	582	556	580
Watermelons	407	241	233
Wheat flour	125	103	159
Raw hides	88	103	126
Cabbage and cauliflower	90	85	93
Eggplants	111	163	81
Bananas	74	133	79
Cucumbers and marrows, etc.	88	46	37
Cigarettes	65	31	36
Raw sheep's wool	70	19	35
Olive oil	493	56	32
Beans, haricots and broad beans	47	66	18

are the Syrian Province of the United Arab Republic, Yugoslavia, Kuwait, Lebanon, Saudi Arabia, Czechoslovakia, Iraq and Poland.

The principal export commodity is phosphates, valued in 1959 at JD1 million, or one-third of total domestic exports. Phosphates are sold in India, Greece and Eastern Europe. Jordan's other important exports—agricultural products such as olive oil, vegetables and fruits—go mainly to neighbouring Middle Eastern countries. Cereals are exported when the harvest is favourable; during drought seasons, wheat and flour must be imported.

Jordan has a large trading deficit which is financed mainly by annual grants from foreign sources. In 1959, the United States gave more than JD17 million, the United Kingdom JD2.4 million, and United Nations agencies about JD5.4 million.

PRINCIPAL CANADIAN EXPORTS TO JORDAN

	1958	1959
	(in Can. $)	
Washing machines	8,435	10,393
Medicinal preparations	5,661	9,015
Asbestos brake lining facings	2,104	7,035
Bolts and nuts	1,231	6,439
Canned salmon	649	5,732
Synthetic resin manufactures	17,263	4,770
Tires and tubes	3,510	6,604
Automobiles		3,636
Stoves	3,040	2,989
Whisky	2,765	2,415
Automobile parts	2,954	2,304
Rags and waste		2,019
Lumber	5,823	
Aluminum in primary form	5,301	
Steel plates, sheets and strips	5,187	
Agricultural implements	3,447	587

Trade with Canada

Canadian exports to Jordan in 1958 totalled $159,000, compared with $162,000 in 1959 and $111,108 in eleven months of 1960. They consisted mainly of medicinal preparations, bolts and nuts, tires, washing machines, asbestos brake lining facings, canned salmon, synthetic resin manufactures, tires and tubes, automobiles, stoves, automobile parts, rags and waste, aluminum in primary form, lumber, sheet and strip steel, and agricultural implements.

Imports from Jordan into Canada are nominal. They dropped from $5,516 in 1958 to $1,570 in 1959 and to only $599 in the first nine months of 1960.

Trade Regulations

All commodities are subject to import licensing. Imports by the Jordan Government and other official bodies are covered by Open General Licence. Licences are normally issued freely, irrespective of the source of the goods, against payment of a fee of 4 per cent of the c.i.f. Aqaba value. Because there are exchange controls, a permit to purchase foreign exchange must be applied for once an import licence has been obtained. Import licences are usually valid for six months. They may be renewed in certa instances for up to four months b yond the original expiry date. Trac samples and advertising materi not exceeding JD50 in value do n require an import licence.

Among the documents require for the import of goods are a b of lading, a commercial invoice an an import licence. Commercial i voices must be certified by a Chan ber of Commerce in the exporti country and legalized by a Jo danian Consul if there is one in t area. Certification of commerci invoices is not required if the val of the goods is less than JD25 if goods are imported by official unofficial organizations customari exempted from paying custon duty.

Duties are calculated on the bas of value or weight, according to t classification of goods in the Cu toms Tariff. Certain ad valore duties are also applied on goo from all sources, except those e empted from customs duties. Trac samples and advertising material little value are exempt from custon duty.

Quotations c.i.f. Aqaba are us ally preferred. There are no fixe rules for packing but all shipmen should be adequately marked ar numbered and packed to withstar the overland trip from Aqaba Amman. Exporters should mak certain that their merchandise fully insured because of the risk pilfering and of damage throu rough handling.

Outlook

It is difficult to foresee at wh time in the future Jordan will longer need foreign aid in order balance its budget. Time is vital— time in which to transform the lar sums of money given each year the United States and the Unite Kingdom into productive industri development and a higher standa of living. Enthusiasm and dete mination within government circle and in the young monarch, are n lacking. Much will depend on t ontinuing political stability of the iddle East and on the annual rants from the United States and e United Kingdom. There is at resent no reason to believe that ese countries have any intention of changing their policy towards Jordan.

Although Jordan today is a limited market, there is a modest but increasing demand for capital goods, engineering services and consumer products, keeping pace with her industrial development and rising standard of living. The Canadian exporter should try to keep up-to-date on the changing market potential in this small country. ●

Kuwait

evenues from oil exports bring $400 million a year to Kuwait. nporters can buy freely from any country; this makes it a ood potential market for certain Canadian exporters.

MAKLOUF, *Office of the Commercial Secretary, Beirut.*

N important change in the political atus of Kuwait took place last ear; the country became autonoous and set up its own currency. he Indian rupee has been replaced the Kuwaiti dinar, equivalent to ne pound sterling. Kuwait remains the sterling area, however, and e United Kingdom continues to responsible for her external relaons. The achievement of internal dependence is due largely to a pidly expanding economy, based high income from oil.

Kuwait is the leading oil proicer in Asia and ranks third in e free world. Production reached) million tons in 1958 and 68.4 illion in 1959. Revenues exceeded 300 million for the two years. Outit from January-September 1960 talled about 61 million tons.

Development continues at a eady pace. Construction works, ivate and public, are attracting reign contractors who take Kuaiti partners to conform with local w. The most recently completed oject is the deep-water harbour the port of Kuwait, built by the nited States firm Pomeroy-Hawain Dredging Company, at a cost about $23.5 million. Bids were cently called for one new project -a sewerage system for Kuwait ty ($28 million)—and for an ternational airport ($15 million).

However, the feeling is that the esent pace of construction will slow down when the principal needs of the population have been met. The Government is therefore looking for means to improve the country's position; it is seeking to make the economy less dependent on a single resource, oil. As Kuwait lacks agricultural and manufacturing industries, the local Development Board feels that the long-term solution may be the development of these industries and it is exploring the possibilities. It has in mind plants making petrochemicals, cement, building materials and consumer goods. The abundance of capital, fuel and power should be of great assistance to this program.

Trade Prospects

Export and import trade has been increasing consistently. Imports in 1960 totalled over $200 million, indicating increasing opportunities for exporters. Excluding a few prohibited items, Kuwait buys all her needs freely, and importers pay a very low import duty of 4 per cent. There are no currency restrictions and exchange, obtainable on the open market, is easily transferred. The outlook is encouraging and provided prices are competitive, business can result. There will be

Before oil was discovered and the first exports made in 1946, pearls from Persian Gulf waters had great importance in Kuwait's trade. Here a local merchant skilfully grades them.

a small market for industrial equipment when the industrial development program materializes.

Trade with Canada

At the end of September 1960, Canada's exports to Kuwait totalled $936,000, an increase over previous years. The chief products were barley ($487,000), automobiles ($322,000), flour ($38,000), and nuts ($31,000). In addition to the traditional suppliers—the United Kingdom, the United States, Germany, India and Japan—Canada should continue to increase her sales. There are immediate opportunities for many types of goods, such as wheat, flour, foodstuffs, pharmaceuticals (imported only by the Government), paper products, lumber, textiles, clothing, electrical equipment and household appliances.

Although Kuwait is a long distance from Canada, it is served by several shipping lines, and an express service from the Great Lake to Beirut, the Persian Gulf and Fa Eastern ports was begun recently Canadian firms which sustain thei interest in this market should find the trade rewarding. ●

Bahrain

Imports into Bahrain, an unrestricted market, are mounting steadily; entrepôt trade is also important. Canadian exporters might investigate possibilities.

E. MAKLOUF, *Office of the Commercial Secretary, Beirut.*

BAHRAIN Island has varied though limited resources. Unlike the other Persian Gulf sheikhdoms, it has enough water for agriculture, which is confined to growing tomatoes, dates, alfalfa and a little fruit. Its pearls have long been reputed for their high quality but the industry has declined sharply and oil now overshadows it. Other industries include the manufacture of pottery, lime, ice, soft drinks and boats. Some development, financed by oil revenues, has taken place in the last few years and the construction of roads, bridges, a jetty and a factory for the manufacture of nitrogen and oxygen is currently under way.

The economy is sound, with the petroleum industry dominating it. Oil production continues steadily at 180-190,000 tons a month and the island's refinery, receiving mainly Saudi Arabian crude through a 34-mile pipeline from Dhahran, processes over eight million tons each year. Royalties total about $5.7 million a year.

Entrepôt trade is the second important activity. Bahrain has a free transit area where no customs or transit taxes are imposed. The area can take more than 100,000 tons of goods which may remain for an indefinite period at very low storage fees. These facilities have been introduced to stimulate trade, since a large part of Bahrain's imports are re-exported, particularly to Saudi Arabia.

Foreign Trade

Imports in 1958 reached $108.9 million, of which about $57 million was for gold coins and ingots. In 1959, bullion purchases dropped drastically to $4.4 million because of restrictions by other countries; the value of general goods imported increased to $54.8 million. Imports from January to June 1960 totalled $30.5 million. The United Kingdom is traditionally the largest supplier, but India, the United States, Germany, Japan and the Netherlands hold a significant share of the market. Principal imports are edible products, household appliances, clothing, fabrics, building materials and machinery.

Exports consist of oil and refined products, with Pakistan, India and East Africa the chief buyers. Goods brought in for re-export constitute a high proportion of Bahrain's imports; they were valued in 1959 at $18.1 million for bullion, and $13.7 million for general commodities. By the end of June 1960 re-export amounted to about $12 million. The bulk of them went, as usual, to Saudi Arabia, but Qatar, the Trucial States and Iran were also customers.

Trade with Canada

Trade with Canada is no large. Imports from Canada totalled $107,000 for the first eleven months of 1960, and consisted mainly of automobiles, clocks, marine engines canned foodstuffs, cooking stoves and leather footwear. There were no exports to Canada.

Import, transit and currency exchange are free from controls, and customs duties are low—5 per cent on essentials, 10 per cent on nonessentials, and 15 per cent on alcohol and tobacco.

Despite its limited population the volume of business transacted through Bahrain is considerable. Its position as a commercial link between supplying countries and other Arabian Gulf states makes it an important, though competitive, market. Interested Canadian firms wil find there are definite sales possibilities for many products in Bahrain.

Report on Lebanon

For a recent report on business conditions in Lebanon, see our issue of October 22, 1960.

he Middle East

the Tehran office reports

Iran

A. B. BRODIE, *Commercial Counsellor, Tehran.*

THE Iranian economy received a sharp setback during 1960 and, at year's end, was still suffering from the effects of a shortage of foreign exchange and of local currency. Poor crops, both grain and fruit, aggravated the problem still further and resulted in large commercial and United States PL480 imports of wheat and a falling-off in exports of dried fruits.

Balance of Payments

The gold and foreign exchange reserves (excluding note cover) which stood at $70 million on March 20, 1960 (the end of the Iranian year 1338)—gold at $21 million, U.S. aid funds at $30 million and free exchange at $19 million—decreased further during the year. By June 1960 the free foreign exchange was reduced to a trickle and was at best sufficient for only a few days. To meet this new situation, the following measures were taken:

1. The Iran-United States Trade Treaty of 1943 was abrogated by mutual consent with effect from July 26, 1960. This resulted in the complete withdrawal of the most-favoured-nation schedule of tariffs from which some 17 other countries, including Canada, had benefited.

2. The introduction of a stabilization program which received the blessing of the International Monetary Fund and the International Bank for Reconstruction and Development. Apart from reducing the various 1960/61 (Iranian year 1339) budgets of the Imperial Iranian Ministries by some 5 per cent, the stabilization program also introduced and increased a number of commercial profits taxes (levied on imports in addition to customs duties) covering a large number of luxury and semi-luxury goods, as well as certain non-luxury products similar to those manufactured within the country. The list is a lengthy one and includes, among other things, automobiles, radios and television sets, furniture, certain textiles and leather articles, canned foodstuffs, refrigerators, kerosene heaters and stoves, jewellery, toilet articles and cosmetics, alcoholic drinks, beverages of all kinds, firearms and motorcycles. It is still too early to assess the real effectiveness of Iran's stabilization program or whether the new commercial profits taxes will be increased still further on March 20, 1961, the end of the Iranian year 1339.

It now appears likely that certain other products will take on commercial profits taxes for the first time during the next Iranian year. Moreover, the list of prohibited imports will also be increased to give adequate protection to those Iranian industries whose production has become sufficient to take care of local consumption.

The Iranian Second Seven Yea Plan, which concludes in Septembe 1962, has run into serious financia difficulties during the past year. It deficit in rials is equivalent to mor than $90 million. To complete current and other planned projects before 1962, rials—as opposed t dollars—are urgently needed. Although the United States PL48 wheat and vegetable oil exports t Iran will generate the rial equivalen of some $13 million for the Pla Organization, outside financial assistance over and above the Plan' income of 55 per cent of Iran' crude oil revenues of some $27 million must be sought to bring th different projects to a successfu conclusion. United States financia aid totalling some $75.2 million ha recently been extended to Iran b the Development Loan Fund, th Export-Import Bank, and the International Co-operation Administration. Of this, $41.2 million will b made available to the Plan Organization to finance part of th local currency costs of the road building program and purchases o U.S. goods for the development program, and $12 million will be spen on the port of Bandar Abbas in th south of Iran. The program for th Third Plan (five years) has not bee officially disclosed but it is believe that an announcement will be forthcoming shortly. Canadian firm wishing to play a part in Iran'

To Sell in the Iranian Market . . .

- **Secure a good agent, with good contacts.**
- **Investigate purchases by oil consortium, usually made outside the country.**
- **Be prepared to grant medium or long-term credits, wher possible.**
- **Consider shipping various qualities of one product.**
- **Visit the country, especially if you wish to sell engineerin services or capital equipment.**

velopment between 1962-1967
ust be prepared to visit the coun-
 and to study the possibilities
th a good deal of care. Failing
e opening of their own offices,
ey may wish to enter into agree-
ents with responsible Iranian tech-
cal companies. This latter arrange-
ent may involve making financial
vestments without any indication
at contracts will result. Some
ropean firms at present are pre-
red to do this.

reign Trade

Iran's imports for 1959 exceeded
50 million and covered a wide
nge of commodities. Of this total,
me 75 per cent represented essen-
l goods, including agricultural and
dustrial machinery, raw and semi-
anufactured products. Almost 25
r cent fell into the category of
xury and semi-luxury goods, in-
uding electrical appliances, radio
d TV sets, and automobiles. The
ading exporters were Germany
120 million), United States
113 million) and the United
ngdom ($104 million).

ade with Canada

Canada's exports to Iran for the
me period totalled only some $2.2
llion, but the figure for 1960 will
 better than $3.25 million. Im-
rts into Canada from Iran, on
e other hand, will likely exceed
3 million, with crude oil making
 the lion's share.

Iran's present austerity program
ll probably continue over the next
o years if the desired results are
 be achieved. If this is so, Cana-
an exports of goods which are
w subject to higher and new com-
ercial profit taxes will be seriously
fected. On capital goods and ser-
ces, however, the Canadian posi-
on will be unchanged and the
ccess of Canadian firms will still
pend on whether they are com-
titive in the Iranian market both
 price and payment terms. Exports
 Canadian raw materials and semi-
ished products will, it is expected,
ntinue to expand at the same
tempo as the industrial development of the country. In fact, the volume of the few Canadian raw material exports to Iran has increased noticeably over the past two years. Iran, it should be remembered, receives annual oil royalties of about $275 million.

Increasing Our Sales

Iran presents a real challenge to Canadian exporters and, as increased trade calls for greater efforts, the following suggestions may be helpful to them.

Government Tenders—A more realistic approach to Iranian Government tenders is necessary. Interested Canadian firms must be prepared to meet all the conditions of tender, including participation guarantees. Competitive quotations are desirable but are not always the determining factor in realizing the final business. An energetic agent, well introduced, is indispensable.

Purchases by Oil Companies—The Iranian oil operating companies purchase the bulk of their requirements duty-free outside the country. The actual indenting is done in Tehran and orders are placed in London, the Netherlands, and the United States (through ESSO). Canadian firms who wish to participate in some of this business would be well advised to forward catalogues and c.i.f. Abadan quotations to Oil Consortium Operating Purchasing Company, 3 Finsbury Square, London, E.C. 2. Canadian firms with United Kingdom offices or responsible agents in London are well placed to follow up on potential business.

Credit Facilities—Competitive credit terms are at times just as important as competitive offers. Long and medium-term credits are currently being granted by German, United Kingdom and French suppliers to Iran for specified products such as machinery, steel rails, steel pipe for the oil industry, and agricultural equipment.

Shipping Various Qualities—Iran, with a per capita annual income of some $130, is a price-conscious market. Many of the goods in the bazaar are offered in different grades with a different trademark or design for each quality (with little emphasis on the names of the manufacturers). As an example, a well known European thread manufacturer puts three markings, ranging from a closed chain to a half-chain, on the outside of the boxes to indicate the quality of the thread.

Outlook

Canadian trade possibilities in Iran over the next eighteen months to two years are not altogether promising. The curtailing of bank credit expansion and fiscal spending—coupled with some $40 million (mostly gold) which will be released from the currency cover under the recently passed Banking Law—will, it is felt, help to achieve the desired recovery before the end of 1962. Canadian exports will meanwhile continue to meet heavy European competition and also competition from the local industries which are enjoying comfortable protective tariffs. Sales of capital goods and certain raw materials will be faced with increased generous long-term export credits—particularly from Germany—during 1961. These could disturb the pattern of certain Canadian exports to Iran far more seriously than the new commercial profits taxes on a wide range of luxury and semi-luxury goods.

A good many eyes will be focussed on Iran's economy over the next twelve months.

Other articles on Iran published in *Foreign Trade* last year include one on expansion of the oil industry there (April 23, 1960), on the Iranian carpet industry (November 19), and on the date industry (July 30). The market for electrical appliances in Iran was analyzed in our August 27 issue, for pharmaceuticals on October 8, and for paints and varnishes on October 22. The January 28, 1961, number carried an article on advertising in Iran.

SHIPPING SERVICES FROM CANADA TO THE MIDDLE EAST

FROM

	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
TO: Bahrain	Java Pacific and Hoegh Lines *(Dingwall Cotts and Co. Ltd., Vancouver)*	Crescent Line *(March Shipping Agency Ltd., Montreal)*	Crescent Line
		Nedlloyd Line *(March Shipping Agency Ltd., Montreal; Dingwall Cotts and Co. Ltd., Vancouver)*	Nedlloyd Line
Iran	Java Pacific and Hoegh Lines	Crescent Line	Crescent Line
		Hellenic Line *(Furness Withy & Co. Ltd., Montreal)*	Hellenic Line
		Nedlloyd Line	Nedlloyd Line
		Orient Mid-East Line *(North American Shipping Agency Ltd., Montreal)*	Orient Mid-East Line
Iraq	Java Pacific and Hoegh Lines	Crescent Line	Crescent Line
		Hellenic Line	Hellenic Line
		Nedlloyd Line	Nedlloyd Line
Israel	Zim Israel Lines *(March Shipping Agency Ltd., Montreal; North Pacific Shipping Co. Ltd., Vancouver)*	Zim Israel Lines	Greek Line *(March Shipping Agenc Ltd., Montreal)*
			Zim Israel Lines
Jordan		*Via Beirut or Lattakia:*	*Via Beirut or Lattakia:*
		Concordia Line *(Canadian Overseas Shipping Ltd., Montreal)*	Concordia Line
		Crescent Line	Crescent Line
		Hellenic Line	Hellenic Line
		Nedlloyd Line	Nedlloyd Line
		Niagara Line *(Canadian Overseas Shipping Ltd., Montreal)*	Niagara Line
		Watts Watts Line *(Federal Commerce & Navigation Co. Ltd., Montreal)*	Watts Watts Line

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NOTE: The agent for each shipping line is shown in italic below the name of the line where it first appears.

FROM

	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
O: Kuwait	Java Pacific and Hoegh Lines	Crescent Line Hellenic Line Nedlloyd Line Orient Mid-East Line	Crescent Line Hellenic Line Nedlloyd Line Orient Mid-East Line
Lebanon	Marchessini Lines *(Sealakes Shipping Corp. Ltd., Vancouver)*	Concordia Line Crescent Line Nedlloyd Line Niagara Line Watts Watts Line	Concordia Line Crescent Line Nedlloyd Line Niagara Line Orient Mid-East Line Watts Watts Line
audi Arabia	Java Pacific and Hoegh Lines	Crescent Line Hellenic Line Nedlloyd Line Orient Mid-East Line	Blue Funnel Line *(Cunard Steam-Ship Co. Ltd., Montreal)* Canada India Pakistan Line *(McLean Kennedy Ltd., Montreal)* Crescent Line Nedlloyd Line Orient Mid-East Line
Sudan		Crescent Line Hellenic Line	Blue Funnel Line Crescent Line Hellenic Line
Turkey	State Marine Lines *(Pacific Marine Freighters Ltd., Vancouver)*	American Export Lines *(Moore-McCormack Lines (Can.), Montreal)* Concordia Line Niagara Line Watts Watts Line Zim Israel Lines	American Export Lines Concordia Line Niagara Line Watts Watts Line Zim Israel Lines
nited Arab Republic	Nedlloyd Lines Marchessini Line	Concordia Line Crescent Line Hellenic Lines Niagara Line Watts Watts Line	Blue Funnel Line Canada India Pakistan Line Concordia Line Crescent Line Niagara Line Orient Mid-East Line Watts Watts Line

Import and Exchange Regulations in the Middle East

The following pages contain a summary of the import and foreign exchange control regulations in effect in the Middle Eastern countries covered in this issue, plus Israel and Lebanon.

BAHRAIN

Import permits are not generally required and there are no quota restrictions. Alcohol is, however, subject to an import licence, and the import of certain other goods, such as firearms and ammunition, is prohibited. There are no exchange restrictions and exchange may be sold freely to residents of the Persian Gulf area; customers may use local currency to liquidate drafts drawn on them. The issue of recommendation certificates by the local exchange control for the allocation of official exchange is limited to exceptional cases because exchange is available on the free market.

IRAN

There are no import quotas in the current fiscal year. With the exception of certain listed unauthorized and prohibited goods, most merchandise may be imported freely by purchasing exchange through an authorized bank. Certain listed and unauthorized imports may be imported under special conditions. Special regulations apply to imports financed under ICA procedure. In general, imports must be new and unused products. Under prevailing regulations, all shipments to Iran entering under documentary credits must be insured with officially registered insurance companies in Iran. Control of exchange is entrusted to the Bank Melli Iran, which supervises all exchange transfers and transactions. All foreign exchange transactions must be effected through specifically authorized banks. Commercial profits taxes are applied on imports of a wide range of luxury and other products. This has the effect of increasing the import duty and restricting the import of these commodities.

IRAQ

All goods imported into Iraq are subject to prior licence, with the exception of commercial samples up to a value of ID10. Licences issued by the Ministry of Supply must be obtained before orders are confirmed abroad. Exporters should make certain that a valid import licence has been issued before goods are shipped; without it, foreign exchange will not be released. Imports are on quota and quotas are allotted to individual importers but are limited to those who have received their classification and hold importer identity books. At the beginning of each year, a quo list is issued establishing the import program. Th program classifies imports into three categories: pr hibited goods which may not be imported into Ira essential commodities with limited allocations which a licensed against quotas at selected times during th year, and more essential goods, which includes other commodities for which allocations are unlimite and applications for a licence to bring them in ma be made at any time during the year. Import licence are valid for twelve months and during this time th letter of credit must be opened through one of th authorized banks. Failure to establish the letter credit within the required period automatically cance the licence. All transactions in foreign exchange mu be carried on through a licensed dealer or authorize bank and should first be approved by the Centr Bank of Iraq.

ISRAEL

Import licences issued by the competent licensin authorities are required for most imports, with th exception of direct government imports, passeng baggage and certain gifts. The import licence serv also as the authority to buy foreign exchange. Whe the licence is presented to an authorized bank, th latter provides the necessary foreign exchange. general, imports of essential goods receive preferenc Import licences are valid for between nine and twel months. Goods may be released from Customs whe the import licence has expired if it is proved that the left the country of origin while the licence was sti valid. Merchandise not covered by an import licen is subject to confiscation upon arrival in Israel. Documentary collections are usually taken up by drawe only after arrival of merchandise.

JORDAN

An import licence and exchange permit are required f all merchandise entering Jordan, with the exception certain prohibited goods, those from the neighbourin Arab countries, and imports valued at less than JD5 For all goods imported under documentary letter edit, both an import licence and an exchange permit e required. Import licences issued by the Import epartment of the Ministry of National Economy are lid for six months and may be extended for valid asons. The granting of an import licence means that e necessary foreign exchange is allocated for payment; plication for an exchange permit must be made mediately. Import licences are valid for opening ocumentary credits up to 45 days from the date of sue. In all cases, an exchange permit must be issued the Controller of Currency before an importer can rchase exchange at the official rate. Goods must rive in Jordan not later than one month after the nport licence expires.

UWAIT

nports into Kuwait do not require a permit and only few are prohibited. There are no exchange regulations imports from the dollar area and exchange is otained on the free dollar market. Usually the supply adequate and normally there is no delay in providing ayment for imports. Merchants are accustomed to wait r the arrival of the goods before making payment.

EBANON

ith the exception of approximately forty listed articles r which an import licence must be obtained before firm order is placed abroad, most other goods may imported freely without a licence. A few goods ay not be imported. Imports are paid for in foreign xchange bought in the free market. All exchange ansactions, except for a few government transactions ich as the collection of customs duties, are conducted the free market rate of exchange. The transfer or mittance of any currency is not restricted.

AUDI ARABIA

nports are completely free in Saudi Arabia, except for rtain imports (such as narcotics and arms) which e subject to the usual control. Alcoholic liquors ay not be imported. Documentary drafts are usually aid upon arrival of the merchandise. Because pay- ent of interest is not allowed, drafts should not carry terest clauses.

UDAN

ffective July 15, 1959, an Open General Licence was tablished whereby a specified list of commodities ould be imported freely. The number of commodities overed by this schedule has since been increased eriodically. All other imports are subject to licence om the Ministry of Commerce, Industry and Supply nd are not valid until the Ministry of Finance and conomic Exchange Control endorses them for the lease of the currency and an authorized dealer certifies that the currency has been released. This means that the exchange must be remitted through an authorized dealer and the licence endorsed to that effect before it is presented to the Customs for the clearance of the goods. Import licences are valid for three months but can be extended. Merchandise not covered by an import licence is subject to fines or confiscation on arrival.

TURKEY

All imports require an import licence and all applications for licences must be addressed to an authorized bank and should be accompanied by a pro forma invoice or offer. Imports may be effected by individuals and legal persons who possess importers' certificates. These certificates are not required for the import by industrialists, exporters and mine-owners of their commercial needs. A guarantee of 10 per cent of the Turkish lira equivalent of the foreign exchange applied for must be deposited with the authorized commercial bank at the time of application. Imports shall be made only for goods within one of the three schedules: the free import list, the list of goods imported against an application of foreign exchange, and the list of imports established under bilateral agreements with foreign countries. Imports for payment with ICA funds are not included in these schedules. Import licences are valid for six months from the date of issue and import must be made within that time. If a period is granted for manufacturing the goods, this may be added to the time limit of the licence. The validity of import licences may be extended by two months under extenuating circumstances. The import of old or used goods against allocation of foreign exchange is prohibited. If application is approved, a letter of advice is issued by the foreign exchange bank indicating allocation of foreign exchange. Such documents may be used within one month for payment by letter of credit and within five months for payment against documents. For payment against goods, the said letter must be used within six months of date of clearance of goods.

Payment of foreign exchange for goods from dollar countries which have no trade agreement with Turkey is to be made in U.S. dollars and for other areas in U.S. dollars or other convertible currencies.

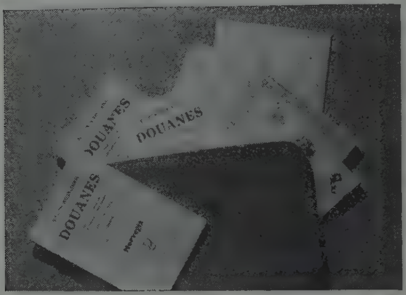
UNITED ARAB REPUBLIC
(Egyptian Region)

Most imports require an import licence; the licence is valid for two months and renewable. Applications should be submitted by registered importers and accompanied by firm offers. The import licence bears an annotation on the method of payment and entitles the importer to buy the necessary foreign exchange. Merchandise must be shipped and arrive in the Egyptian Region before the import licence expires. Merchandise arriving in the Egyptian Region and not covered by an import licence is subject to confiscation or fines. Applications for import licence will be considered in relation to the country's needs of the specific commodity and within the limits of the monetary budget approved for the period. Applications offering better prices or payment facilities will receive priority. The balance of trade and payments between the Egyptian Region and the foreign country is considered in fixing total value of import permits issued in its favour. Prohibited imports include almost all consumer goods and products manufactured locally in sufficient quantity to meet local demand.

UNITED ARAB REPUBLIC
(Syrian Region)

All imports are under strict control and require licences. Licences are valid for four months from date of issue and may be extended for two months b may not be renewed for a further period unless th goods were shipped before the licence expired. Autho ized imports include essential goods for which impo licences are freely granted, and non-essential good on which a fee of 2 per cent of the c.i.f. value levied. Importers must deposit with their bank 5 p cent of the value for raw materials and essential goo and 40 per cent for non-essential goods in order obtain a licence. A substantial list of goods in th category must be imported directly into Syria throug the port of Lattakia. The import of a specified schedu of commodities has been temporarily suspended. addition to narcotics, arms and ammunition, prohibite goods include commodities produced locally. All in ports must be made directly from the country of origi

—J. M. H. DAVISON,
Asia and Middle East Division.



Foreign Tariffs and Trade Regulations

Honduras

PARTIAL TERMINATION OF U.S.-HONDURAS TRADE AGREEMENT—Effective February 28, 1961, the tariff concessions provided for under the 1936 U.S.-Honduras Trade Agreement will be terminated. By virtue of the Canada-Honduras Trade Agreement of 1956, similar Canadian products have been entitled to these concessions. With the termination of the United States agreement, U.S. and Canadian goods will be subject to the higher general rates of the Honduras tariff which have hitherto been applied to imports from countries not having trade agreements with Honduras.

The 1936 U.S. Agreement covered concessions on 37 products of which 17 were reduced rates of duty and 20 were bindings against tariff increase. Tariff changes affecting products of interest to Canadian exporters include (one lempira is worth 50 cents U.S.):

Upper leather, bound free in U.S. agreement, and with a general tariff rate of 0.75 lempiras per gross kilogram plus 12 per cent of the duty (totalling 42 cents U.S. equivalent per kilogram).

Tires, bound free in U.S. agreement, with a general rate of 0.15 lempiras per gross kilogram plus 12 per cent of the duty (totalling 8.4 cents U.S. equivalent per kilogram).

Wheat flour, 0.132 lempiras in U.S. agreement, with a gene rate of 0.14 lempiras per kilogram plus 12 per cent of the du (totalling 7.8 cents U.S. equivalent per kilogram).

Complete details of the items affected by the te mination of the rates in this agreement are availab from the Latin American Division, International Tra Relations Branch.

Pakistan

IMPORT CONTROLS—The following commoditi are on automatic licensing for the period January-Ju 1961.

Industrial Items

Building and engineering materials, all sorts (other than those m of iron or wood) and silica sand

Electric insulating material, all sorts, n.o.s.

Anchors and cables

Valves for iron and steel pipes and tubes

Suitcase locks and fittings, including safe locks and automatic d locks

Scientific instruments, apparatus and appliances, all sorts, n.o and component parts and accessories thereof, including weigh

les, weigh bridges, clinical thermometers and other instruments cluding geometry boxes of the c. and f. value of Rs.3 and below)
cking for engines and boilers, all sorts, n.o.s.
l, roller and taper bearings
ke fluid
ematographic films unexposed
oricants
framed optical lenses and rough blanks for making lenses
cose
epe rubber sheets
bber patches and solution (excluding hot patches)
nes and rattans, n.o.s.
rk manufactures, n.o.s.
ue, gum and resins including lac and shellac
n and steel
tals
plosives
mphor
s in cylinders
emicals, n.o.s.
altar dyes
eing and tanning substances
s black and carbon black
bber, raw, including synthetic rubber
bber scrap
latine capsules

ricultural Items

actors and tractor spares
nts, living
lon twine (for fishing industry)
getable and flower seeds, excluding onion sets and onion seeds

nsumer Items

lk food (previously on automatic licensing for East Pakistan y, now on automatic licensing throughout the country)
oks
boratory glassware
ray films and plates
es and tubes
entific and surgical instruments, apparatus and appliances made rubber including contraceptives
rts and accessories of automotive vehicles, including spares for rine engines
cuum flasks, including refills
edles, all sorts
edical appliances made of silk or artificial silk
rgical instruments, apparatus and appliances and parts and accesries thereof, n.o.s., other than those made in Pakistan, and exclud- absorbent cotton wool but including artificial teeth
pewriters and parts thereof
fice machines and office equipment, parts and accessories thereof
otographic films, plates and paper including sensitized paper
go
plicating stencils
aving brushes and tooth brushes
otorcycles and motor scooters
tomotive conveyances, n.o.s., including rickshaws without bodies

st Pakistan Only

phalt, pitch and tar
batta
ectrodes, all sorts, n.o.s., including welding electrodes
ondensed milk (subject to initial licensing at 25 per cent of catery, repeatable at the same level)
ment, grey
mestone
da ash
otor rickshaws

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade announced recently that it has received the following representations respecting the tariff:

Increase in duty on:

1. Adjustable office date stamps
2. Cut glassware
3. Tinned smoked sardines in oil
4. Basketwork, plaited from materials other than cane, bamboo, rattan and osier
5. Printing, ruling and lithographic inks, ink reducers, ink driers and screen process inks
6. Sparkplugs for original equipment
7. Spiral welded steel piping
8. All types of carbon brushes
9. Imitation jewellery and simulated pearls manufactured from glass, alabaster glass, resin and synthetic resin beads, assembled or unassembled
10. Uncut and semi-cut moquet made of natural fibres (excluding cotton), or man-made fibres or mixtures thereof
11. Automobile gaskets
12. Bags, n.e.e. (tariff item 59(1)), for flour, grain, manure, sugar, wool, coal and minerals and for local produce or manufactures, but excluding jute, hemp, hessian and cotton bags

    Note: The above proposal is under consideration with a view to facilitating the transposition of the existing tariff provision into the International Brussels Tariff Nomenclature.
13. Bandsaw blades for use on metal, plastic and wood of all types and meat-cutting blades (bands).
14. Ladies' coats made from pile fabric synthetic fur materials
15. The following wire fancy goods:
    (a) Wire carriers for tumblers, whether finished in baking enamels, industrial lacquer or plated
    (b) Wire frames or stands for carrying or inserting glass ovenware, whether finished in baking enamels, industrial lacquer or plated
    (c) Wire wall decorations, whether finished in baking enamels, industrial lacquer or plated, to hold flower pots or containers for flowers or plants
    (d) Wire magazine or newspaper stands, whether finished in baking enamels, industrial lacquer or plated, and in the manufacture of which a combination of wire and expanded metal, wire and punched-out plate, wire and plastic or raffia covers is used
16. Split peas
17. Canned poultry
18. Parquet flooring
19. High level cistern flush pipes
20. (a) Men's and boys' cloth hats
    (b) Men's and boys' cloth caps
21. Warm air space-heaters and dryers
22. Electric lampholders, switches (excluding switches for electrical stoves and electrical hotplates), plugs, adaptors, plug sockets, switch units, switch cover plates, switch fuses, switch socket outlets, switch plugs, multi-plugs and multi-adaptors, not including distribution boards, marked or rated for use at voltages less than 500 and for use up to 15 ampere (tariff item 119(h))
23. All worsted yarns spun from man-made fibres
24. Men's, ladies' and children's cloth hats, made from water repellant material

25. (a) Woven man-made fibre piecegoods (excluding glass-fibre cloths) classified under tariff item 78(7)(a)(i)(B), (ii)(B), (iii)(B), (iv)(B) and (vi)(B)

(b) Woven mixture fibre piecegoods containing cotton, rayon and any other fibres (excluding wool or hair or wool and hair mixed) of which each individual type of fibre is less than 50 per cent by weight

(c) Woven rayon piecegoods classified under item 78(6)(c)(vii) and (viii)

(d) Defined drill, twill and sateen

Reduction in duty on:

1. Steel and wooden printers' composing room furniture, such as printers' type cabinets, galley cabinets and type cases
2a. Cobalt metal in the form of broken cathodes and granules
2b. Cobalt ores, concentrates, slimes and slags
3. Kaurit W. Paste and Kaurit KF 100 per cent Type 1203c that are classified as ureaformaldehyde precondensates and used as an auxiliary in the textile industry
4. Radio control transmitters and receivers for model aircraft
5. Vulcanized fibre in all its primary forms

Rebate of duty on:

1. Furazolidone for the manufacture of veterinary preparations
2. Technical dodecylguanidine acetate used in the formulation of a fungicide
3. Laminated pressure-sensitive adhesive paper in roll, from not less than 3½ inches wide
4. Chrysotile asbestos fibre imported for blending with locally-produced chrysotile asbestos fibre
5. Waterproof materials manufactured from cotton, rayon or mixtures thereof, for the manufacture of rainwear
6. Benzyl cresol and dichlorometaxylenol for the manufacture of disinfectants and antiseptics
7. Whale lines manufactured from synthetic fibres for use in the whaling industry
8. Surface film which is a kraft paper impregnated with resin of the phenolic type used for facing boards which are used for concrete shuttering work
9. Certain raw materials for the manufacture of ballasts/transformers for fluorescent lamps
10. Manufacturing sugar ("Drifon") used for the manufacture of confectionery

Refund of duty on:

1. Malachite imported for further processing for export
2. Roller bearings to be fitted to railway wagons, coaches and locomotives for export

Withdrawal of the rebate on:

1. Tubular elasticized fabric in the piece for the manufacture of foundation garments

Spain

THIRD LIBERALIZATION LIST—On January 1, 1961 a new list of liberalized imports came into force in Spain. Items of possible interest to Canada are listed below and the International Trade Relatio Branch will be pleased to supply information on speci products.

Vulcanized rubber thread and cords
Rubber tires, tire cases, inner tubes
Wood, in the rough, roughly squared, sliced, peeled, paving bloc
Veneer sheets and sheets for plywood
Refractory bricks, heat-insulating bricks
Nickel mattes, speiss, wrought plates, sheets and strip, nickel fo nickel powders and flakes

Licences are not required for imports of liberalize goods. Importers simply file import declarations wi the Registrar of the Ministry of Commerce in Madri

For the first two lists of liberalized imports int Spain, see *Foreign Trade* of August 15, 1959, an May 7, 1960.

Uruguay

IMPORTS OF FERTILIZERS—On January 24 th Government of Uruguay issued a new decree permittin the import of all types of fertilizers and raw materia for the manufacture of fertilizers without surcharge an without prior deposit. Up to December 31, 1961, a fertilizers and their ingredients will be free from customs duties and any additional taxes. Moreover, th unloading and distribution of these materials throughout the country is to be facilitated. Canadian exporter who wish to participate in the much larger trad expected should get in touch with the Commercia Counsellor in Montevideo—Montevideo.

Venezuela

POWDERED MILK LICENSING—The Canadia Commercial Counsellor in Caracas has clarified a not on the import of powdered milk into Venezuela, published in *Foreign Trade* of December 31, 1960. Th import ratio for powdered milk has been reduced t 3½ kilos for every one kilo purchased locally, not as reported originally. This ratio applies only t powdered whole milk. Powdered skim milk is unde import licence but since it is not made locally, n import licence ratio is applied. Licences for powdere skim milk are issued only to end-users in Venezuela—Caracas.

Yugoslavia

FOREIGN EXCHANGE REFORM—On January 1 1961, Yugoslavia announced economic reform measures involving the establishment of a unitary exchange rate of 750 dinars to U.S.$1.00. The ne change rate will be applied, effective March 1, to all ansactions, with the exception that a special rate will applied for incoming tourists.

The Yugoslav Government plans to introduce a stem of customs tariffs, to liberalize considerably its nport controls, and to reduce bilateralism in its foreign ade. These measures represent a major simplification and liberalization of Yugoslavia's former system complex multiple exchange rates, combined with strictions on most imports and invisible payments. he reform is designed to facilitate Yugoslavia's foreign ade and payments relations and to serve to integrate the country more closely with the international economy.

To assist in this reform, the International Monetary Fund has made available to the Government of Yugoslavia up to $75 million in various currencies held by the Fund. The Yugoslav authorities have obtained assurance of credits of approximately $100 million from the United States and a further $100 million from European countries, including Austria, France, Italy, the Netherlands, Switzerland and the United Kingdom. A consortium of German banks is also considering the extension of a credit to Yugoslavia.

Trade Commissioners on Tour

n Canada

. F. G. HUGHES, who will shortly take up his duties as ommercial Counsellor in Stockholm, will visit Montreal ebruary 20-24 and Toronto, February 27-March 3. Businessen who wish to see Mr. Hughes should get in touch with e Board of Trade in Montreal and the Canadian Manufacrers Association in Toronto.

n Territory

. G. BRETT, Assistant Commercial Secretary in Paris, rance, will tour the French Community countries in Africa uring April. His itinerary covers Nouakchott, Fort Gouraud nd Port Etienne in Mauretania; Dakar in Senegal; Conakry, uinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; otonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

. G. BULLIS, Assistant Trade Commissioner in Kingston, amaica, will visit Belize, British Honduras, from March 16-23.

. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, ill visit Nassau, Bahamas, from April 23-29.

. A. FREYSENG, Assistant Commercial Secretary in Vienna, ustria, will visit Sofia, Bulgaria, from March 6-11.

W. J. JENKINS, Acting Commercial Secretary in Lima, Peru, will visit La Paz, and possibly Sucre and Potosi, in Bolivia, from March 15-27.

G. A. NEWMAN, Commercial Counsellor in New Delhi, will visit Hyderabad and Bangalore from March 13-17.

L. J. TAYLOR, Assistant Trade Commissioner in Johannesburg, South Africa, will visit Madagascar in late March or early April.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from March 20-23.

W. B. WALTON, Assistant Commercial Secretary, Beirut, will visit Baghdad, Iraq, from March 5-12, and Kuwait and Bahrain, about March 15.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Brett at Paris, Mr. Bullis and Mr. Campbell at Kingston, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Jenkins at Peru, Mr. Newman at New Delhi, Mr. Taylor at Johannesburg, and Mr. Walton at Beirut.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.01041995.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 13	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01200	83.33	(1
Austria	Schilling		.03801	26.31	
Australia	Pound		2.2188	.4507	
Bahamas	Pound		2.7735	.3605	
Belgium and Luxembourg	Franc		.01983	50.43	
Bermuda	Pound		2.7735	.3605	
Bolivia	Boliviano	Free	.00008662	11,544.68	
British Guiana	Dollar		.5778	1.73	
British Honduras	Dollar		.6934	1.44	
Brazil	Cruzeiro	General Category*	.004323	231.30	*Jan. 17 (2
		Special Category	.001516	659.72	
		Official selling	.05230	19.12	(3
Burma	Kyat		.2078	4.81	
Ceylon	Rupee		.2080	4.81	
Chile	Escudo	Free	.9408	1.06292	(4
Colombia	Peso	Certificate	.1477	6.77	
Congo, Republic of	Franc		.01983	50.42	
Costa Rica	Colon	Official	.1763	5.67	
		Controlled free	.1488	6.72	
Cuba	Peso		.9897	1.01041	tax 2
Czechoslovakia	Koruna		.1374	7.28	
Denmark	Krone		.1433	6.98	
Dominican Republic	Peso		.9897	1.01041	
Ecuador	Sucre	Official	.06598	15.16	
		Free	.05788	17.28	
Egyptian Region, United Arab Rep.	Pound	Official	2.8419	.3519	
		Export account selling	....	....	
El Salvador	Colon		.3959	2.52	
Fiji	Pound		2.4986	.4002	
Finland	Markka		.003093	323.31	
France, Monaco, etc.	New Franc		.2020	4.95	(5
Franco-African Republics, etc.	Franc		.004040	247.52	(6
French Pacific	Franc		.01111	90.01	(7
Germany	D Mark		.2375	4.21	
Ghana	Pound		2.7735	.3605	
Greece	Drachma		.03299	30.31	
Guatemala	Quetzal		.9897	1.01041	
Haiti	Gourde		.1979	5.05	
Honduras	Lempira		.4948	2.02	
Hong Kong	Dollar	Free*	.1724	5.80	*Feb.
		Official	.1733	5.77	
Iceland	Krona	Official	.02604	38.40	(8
India	Rupee		.2080	4.81	
Indonesia	Rupiah	Official	.02199	45.47	(8
Iran	Rial		.01306	76.54	
Iraq	Dinar		2.7711	.3609	
Ireland	Pound		2.7735	.3605	
Israel	Pound		.5498	1.82	
Italy	Lira		.001593	627.75	
Japan	Yen		.002749	363.77	

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*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 13	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3109	3.22	
Mexico	Peso		.07918	12.63	
Morocco	Dirham		.1979	5.05	
Netherlands	Florin		.2614	3.82	
Netherlands Antilles	Florin		.5267	1.90	
New Zealand	Pound		2.7735	.3605	
Nicaragua	Cordoba	Effective buying	.1499	6.67	
		Official selling	.1404	7.12	
Nigeria	Pound		2.7735	.3605	
Norway	Krone		.1385	7.22	
Pakistan	Rupee		.2080	4.81	
Panama	Balboa		.9897	1.01041	
Paraguay	Guarani	Official	.007824	127.81	
Peru	Sol		.03639	27.11	
Philippines	Peso	Free	.3299	3.03	
		Official	.4948	2.02	
Portugal & Colonies	Escudo		.03454	28.95	(9)
Singapore and Malaya	Straits Dollar		.3236	3.09	
Spain and Dependencies	Peseta		.01649	60.62	
Sweden	Krona		.1914	5.22	
Switzerland	Franc		.2294	4.36	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04706	21.25	(8)
Tunisia	Dinar		2.4049	.4158	
Turkey	Lira		.1100	9.09	(8)
Union of South Africa	Pound		2.7735	.3605	
United Kingdom	Pound		2.7735	.3605	
United States	Dollar		.9896875	1.01041995	
Uruguay	Peso	Free	.08981	11.13	(10)
Venezuela	Bolivar		.2958	3.38	(11)
West Indies Fed.	Dollar		.5778	1.73	(12)
	Pound		2.7735	.3605	(13)
Yugoslavia	Dinar	Official	.003299	303.12	(8)
		Settlement rate	.001566	638.58	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Madagascar. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.

In Kuwait—Coming up from the ship's hold, bags of Canadian barley brought to the Sheikhdom on the Red Sea to feed sheep.

In Israel—This unloading scene was photographed in the po of Haifa; lumber being handled is Canadian Douglas fir.

Canada in Middle East Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, protected for mailing, and addressed to: The Editor, "Foreign Trade".

In Iran—When the crops are ready to be harvested, this Iranian farmer relies on Canadian-made machinery to lighten his work.

In Lebanon—These employees of a Lebanese shoe factory us an automatic press from Canada to produce rubber soles.

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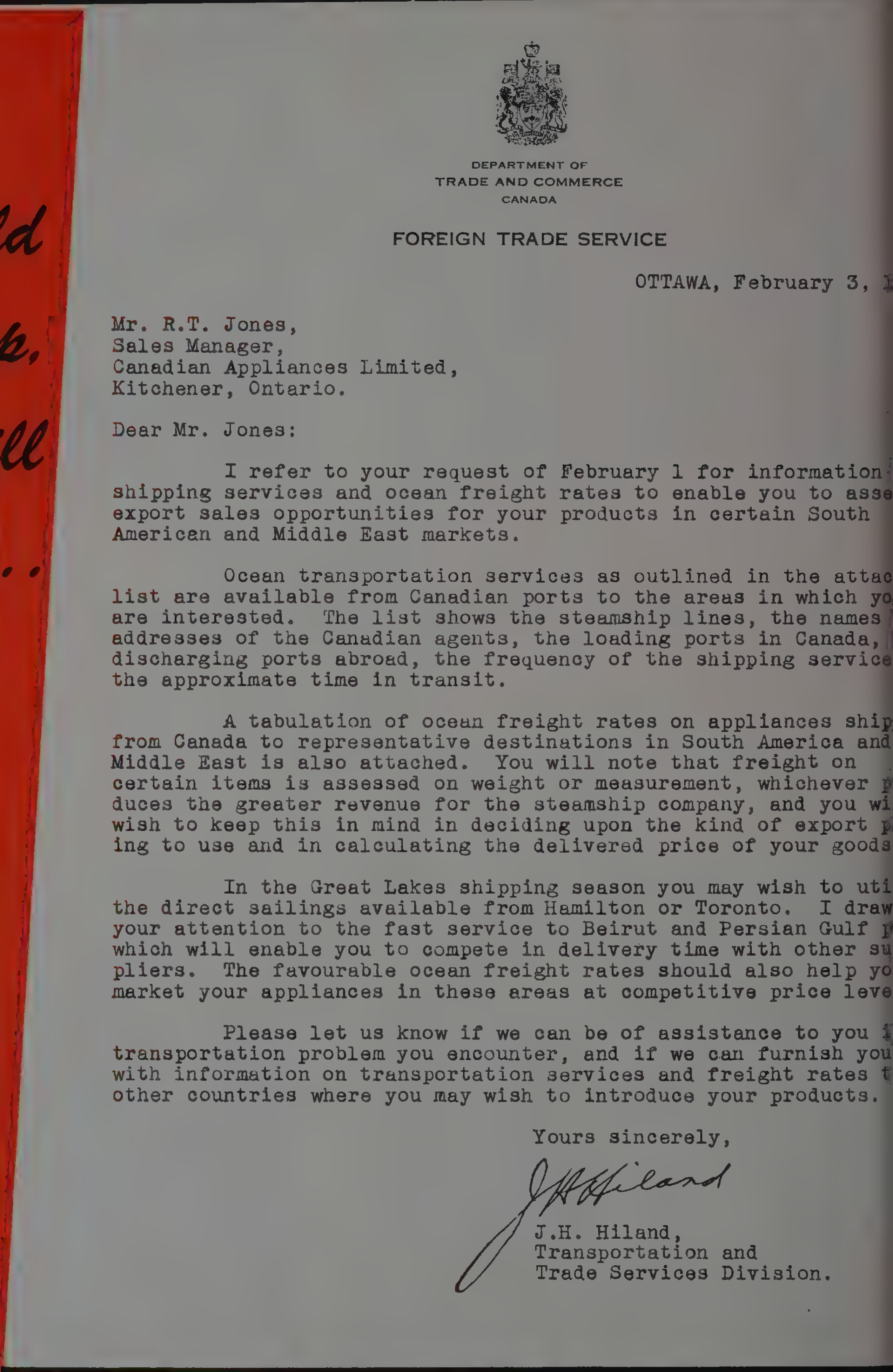

DEPARTMENT OF
TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, February 3,

Mr. R.T. Jones,
Sales Manager,
Canadian Appliances Limited,
Kitchener, Ontario.

Dear Mr. Jones:

I refer to your request of February 1 for information shipping services and ocean freight rates to enable you to asse export sales opportunities for your products in certain South American and Middle East markets.

Ocean transportation services as outlined in the attac list are available from Canadian ports to the areas in which yo are interested. The list shows the steamship lines, the names addresses of the Canadian agents, the loading ports in Canada, discharging ports abroad, the frequency of the shipping service the approximate time in transit.

A tabulation of ocean freight rates on appliances ship from Canada to representative destinations in South America and Middle East is also attached. You will note that freight on certain items is assessed on weight or measurement, whichever p duces the greater revenue for the steamship company, and you wi wish to keep this in mind in deciding upon the kind of export p ing to use and in calculating the delivered price of your goods

In the Great Lakes shipping season you may wish to uti the direct sailings available from Hamilton or Toronto. I draw your attention to the fast service to Beirut and Persian Gulf p which will enable you to compete in delivery time with other su pliers. The favourable ocean freight rates should also help yo market your appliances in these areas at competitive price leve

Please let us know if we can be of assistance to you transportation problem you encounter, and if we can furnish you with information on transportation services and freight rates t other countries where you may wish to introduce your products.

Yours sincerely,

J.H. Hiland

J.H. Hiland,
Transportation and
Trade Services Division.

Trade and Commerce Can Help Yo

The French Market Opens Up (page two)

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

MAR. 11. 61

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE OTTAWA

Established in 1904

MARCH 11, 1961

Volume 115, Number 5

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2 **The French Market Opens Up . . .** *our Commercial Counsellor assesses opportunities there, provides useful information for prospective business visitors.*

8 **Australia Seeks Oil . . .** *undeterred by disappointing results, exploration continues, aided by government subsidies.*

11 **Chile Launches Ten Year Plan . . .** *analysis of the plan objectives by our Trade Commissioner in Santiago may suggest sales prospects to Canadians.*

16 **Pharmaceuticals: Brazil Builds a Local Industry . . .** *foreign investment has helped in a development that has altered pattern of pharmaceutical imports and the demand for Canadian supplies.*

18 **U.S. Farm Policies for the Sixties . . .** *influence of future U.S. agricultural policies on Canadian exports gives special value to this report.*

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6 **The Librarian Suggests**

13 **Advertising Abroad: Egypt**

15 **Markets in Brief: Egypt**

17 **India: New Steel Exporter**

24 **The United Kingdom Aluminum Industry**

25 **Chicago Buys Canadian Fish**

21 Commodity Notes

34 Foreign Exchange Rates

28 General Notes

29 Foreign Tariffs and Trade Regulations

31 Geographical Listing for Exporters

36 Trade and Commerce at Work

14 Trade Commissioners on Tour

26 Transportation Notes

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The French Market Opens Up

Longshoremen lower sacks of Canadian asbestos onto a dockside pallet-lift at the port of Le Havre; France's fast expanding industry will find many uses for it.

Canadians almost doubled their sales to France last year, as the French experienced a new prosperity and many import restrictions disappeared. Now is the time to cultivate this market; our Paris office tells why and how in this stimulating report.

A. G. KNIEWASSER, *Commercial Counsellor, Paris.*

FRANCE has reaped enormou benefit from the stabilization program introduced in December 1958 Industrial output has risen sharpl and is continuing to increase. Th franc is now externally convertib and the foreign exchange positio is sound and improving. Gold an foreign exchange reserves totalle an estimated $2.1 billion at the en of 1960, and foreign obligations ar being retired in advance of maturity. In 1960, as in 1959, export exceeded imports by an estimate 10-12 per cent. Gross nationa product is increasing at the rate c 5-6 per cent a year.

Contrary to general belief, Franc is now the "youngest" country i Europe. Population is growin rapidly. Positions of responsibility i government and in industry a frequently held by exceptionall young and vigorous men an women who welcome new ideas an techniques.

Population on January 1, 1960	45,355,0
Number of inhabitants per square kilometre	
Net increase in population (annual average 1954-59)	400,0
Natural increase in population (annual average 1954-59 per 1,000 inhabitants)	6
Labour force total (estimate January 1, 1959)	19,800,0
Agricultural labour force as a percentage of the total (census of 1954)	29 per ce
Influx of foreign workers (average 1954-59)	70,7

Restrictions Disappearing

Economic recovery, the remov of many controls, and tariff adjustments have made France one Canada's most interesting Europea markets at the present time. Canadian exports to France almo doubled during 1960. Sales totalle $73 million over the year, con pared with $43 million in 1959 ar

annual average of $42 million
r the past ten years. This in-
eased trade resulted from renewed
les efforts by Canadian exporters,
nerally buoyant business condi-
ons in France, and the removal
many import restrictions against
anadian goods.

Prospects for trade in 1961 are
xcellent. Ninety-three per cent of
e import controls on industrial
oods have been removed and
strictions are scheduled to disap-
ear entirely during 1961. Import
cences are being made available
r many items still under control.

ew Tariff Effective

On January 1, France took
nother important step towards the
nplementation of the Rome Treaty
nd the establishment of the Euro-
ean Economic Community. A
evised customs tariff was intro-
uced which established new, and
many cases lower, rates of duty
n imports from Canada. Further
ercentage reductions were made
the rates that apply to products
riginating within the European
conomic Community. Complete
etails of these new tariff rates and
he quotas that have been set up
or the first six months of this year
or goods still under control are
vailable from the European Divi-
ion, International Trade Relations
Branch, Department of Trade and
Commerce, Ottawa.

It is important for Canadian
xporters to keep in mind that
hese tariff rates and quota arrange-
nents will change gradually over
he next few years, as France pro-
eeds to the full implementation of
he Rome Treaty. At the end of the
ransition period, France and the
ther Common Market countries
vill have removed all tariffs on
roducts originating within the
Community and introduced the
Common External Tariff. Since
France traditionally has been pur-
uing a relatively high tariff policy,
he adjustment of duties to the
ommon level will involve a num-
er of reductions.

Basic Statistics on France

PRODUCTION

Gross national product in 1959 (billions of new francs)	255
Gross national product per head (U.S.$)	1,148
Gross fixed investment (average 1954-59)	
Per cent of G.N.P.	18
Per head (U.S.$)	168
Agricultural production as a percentage of net national product (1956)	13
Number of dwellings constructed in 1959	320,000
Home food production as percentage of total food availability (average 1953-58)	95

LIVING STANDARDS

Calories per head, per day (1957-58)	2,870
Consumption of energy per head in 1957 (OEEC average=100)	100
Steel consumption per head in 1957 (OEEC average=100)	112
Industrial production per head in 1958 (OEEC average=100)	104
Number of passenger cars in use per 1,000 inhabitants (1960)	111
Number of telephones per 1,000 inhabitants (1960)	92
Number of radio sets per 1,000 inhabitants (1960)	240
Average hourly wage rate in metal industries in the Paris region (end of 1959) (new francs)	2.73

FOREIGN TRADE

Exports	**per cent**
Exports of goods and services, including those to the franc area, as a percentage of the G.N.P. (average 1957-59)	14
Main exports as a percentage of total exports, excluding franc area (average 1957-59):	
Iron and steel	15
Textiles and clothing	13
Machinery	7
Cars	9
Beverages	4

Imports	**per cent**
Imports of goods and services as a percentage of the G.N.P. (average 1957-59)	13
Main imports as a percentage of total imports (average 1957-59), excluding franc area:	
Petroleum products	16
Textiles	12
Coal	9
Machinery	11

SELECTED FRENCH TARIFF RATES, JANUARY 30, 1961

	Tariff on Canadian Goods			Tariff on EEC Goods	
	Dec. 31 1960	Jan. 1 1961	End of Transition	Jan. 1 1961	End of Transition
			(in per cent)		
Synthetic textiles—fibres	19.8	19.0	15.0	15.4	0
Refractory bricks	18.0	16.4	10.0	14.0	0
Oil burners	19.8	18.7	14.0	15.4	0
Weighing equipment	18.0	17.6	15.0	14.0	0
Cranes	18.0	17.3	14.0	14.0	0
Sounding and drilling equipment	18.0	17.6	15.0	14.0	0
Agricultural machinery (various)	13.5	13.1	11.0	10.5	0
Dairy equipment	13.5	13.1	11.0	10.5	0
Pulp-mill machinery	18.0	17.3	14.0	14.0	0
Paper-mill machinery	16.2	15.4	12.0	13.6	0
Typewriters	22.5	21.3	16.0	17.5	0
Vending machines	18.0	17.1	13.0	14.0	0
Telecommunication equipment	22.0	19.2	16.0	15.4	0
Polystyrene	27.0	25.8	20.0	21.0	0

Note: As many of these rates are being revised or are under negotiation, this table should be used as a general guide only. Definite and up-to-date information about the rates on specific products can be secured from the European Division, International Trade Relations Branch, Ottawa.

As tariffs are lowered on many products and import controls removed, new opportunities open up for Canadian exporters. A glance at the accompanying table indicates this improving tariff position for a number of goods that are and can be important to Franco-Canadian trade.

Import Liberalization Proceeds

Closely associated with financial recovery and the development of the EEC is the progressive dismantling of French import restrictions. A new "restricted list" came into force on January 1, 1961, and the effect was to remove a number of goods from import control. Among the items added to the free list by the latest move were a wide range of chemicals, textiles, mining machinery, engines, office machinery and equipment, certain electrical machinery, special-purpose motor trucks and vans, light vessels for seagoing and navigation, scientific equipment, small arms and ammunition, furniture and household sundries.

A further liberalization list is being prepared and is scheduled to become effective on April 1 of this year. Controls on all industrial items are expected to be completely removed this year, now that France has no balance-of-payments problem and is enjoying a rapid rate of economic growth.

Sales Opportunities

In this situation there are many promising new opportunities for Canadian exporters to France. Sales of products already established are increasing and various commodities which have not been sold here for twenty years can now be introduced if Canadian suppliers are competitive and willing to make a determined sales effort.

During 1960 interesting new business was concluded in apples, canned soups, maple syrup, rubber hose, Atlantic fish and lobster, bristle, synthetic fibre fabrics, birch logs, wet machine board, hot-rolled sheets and strip, typewriter parts, chain saws and parts, industrial furnaces, packaging machinery, clocks, cosmetics, hockey sticks and contractors' supplies.

The Export Trade Promotion Conference in Ottawa last December has led to a greatly increased interest in the French market. Trade officers in Paris are now working on over 300 inquiries, many of which will mean new orders. If you are not selling to customers in France, now is the time to take a second look at the French market. Conditions are right and your Trade Commissioners in Paris can offer you a wealth of information and assistance.

Why Not Visit France?

A personal visit to France is often essential to conclude selling arrangements and to explain the advantages of unfamiliar products to new customers. Over 200 Canadian exporters organized selling trips to France last year with the assistance of Canadian Trade Commissioners in Paris, and close to 300 are expected during 1961.

Our trade officers in Paris have prepared a useful and up-to-date brochure, *Guide to Canadian Business Visitors to France,* to assist these visitors in arranging profitable and enjoyable selling trips. The following basic information on France has been extracted, in part, from this brochure.

Major Marketing Centres

The French economy is one of the most centralized in the world although serious efforts are now being made to encourage industries to set up outside the Paris area Most industries have formed strong "Federations" or "Groupements" with offices in Paris. These groupements are in close touch with the French Manufacturers' Association (called Conseil National du Patronat Français) and with governmen departments. In some cases, they handle all imports of a particular commodity. However, as impor liberalization and industrial decentralization proceed, it is importan for exporters of some products to consider separate sales arrangements in the provinces. Canadian trade officers in Paris are in a position to advise.

The major cities are: Paris (population) 2.8 million, greater Paris million; Marseilles 733,000; ons 550,000, greater Lyons 0,000; Lille 195,000, greater le 1 million; Rouen 116,000, eater Rouen 350,000; Bordeaux 0,000; Toulouse 270,000; Nantes 0,000; Strasbourg 200,000; Le vre 150,000; Saint-Etienne 0,000.

cation of Industries

French industrial production is edominantly situated in the north d east of France and in the Paris ion.

The north has the chief industries voted to finished textiles and a ong representation of the metal- gical and engineering industries d of enterprises engaged in mak- ; light and heavy chemicals, glass d brick. The economic advan- ges of the northern area are en- nced by proximity to the impor- nt ports of Rouen, Le Havre, and nkirk and to the steel of north- stern France and Belgium.

Eastern France accounts for over per cent of the output of iron e, nearly four-fifths of the pig iron, er three-quarters of the raw and mi-finished steel, over 15 per nt of the coal, an important part the cast iron and structural steel, arge part of the potash, and most the mine salt. The eastern gions are also very wealthy agri- lturally, producing timber, hops, ne, vegetables and fruits.

In the Paris area the leading in- stries are metal-working and en- neering; the motor vehicle manu- cturing industry and its ancillary ades employ well over 100,000 ople. Other important Paris anufactures are electrical material d fittings, bronze working, ma- inery, machine tools, precision d optical instruments. In general, ris does not carry out ele- entary manufacturing processes t receives semi-finished materials r transformation into finished oducts.

Other important centres are: ons (silk industry, engineering, ctrical and mechanical, chemical, dyeing and finishing and leather works, tobacco factories); Marseilles (oilseed crushing, bricks, tiles, flour, chemicals, petroleum refineries, engineering, shipbuilding and repairs); and Bordeaux. The development of natural gas deposits near Pau may lead to the creation of a new industrial area of some significance.

Transportation Facilities

There are frequent air and rail services linking Paris and the provincial cities of France with other European capitals and industrial centres. In addition, there are 8,219 kilometers of navigable waterways in France, 4,814 kilometers of which are canals. The most heavily used waterways are those connecting the Paris industrial area with the coalfields of the east, the industrial regions of northern France and Belgium, the Channel ports, and the Atlantic seaboard. France has five major maritime ports—Marseilles, Le Havre, Rouen, Dunkirk and St. Nazaire—each handling more than a million tons of merchandise a year.

French Banking and Currency

Although exchange rates fluctuate, the Canadian dollar is worth roughly five new francs (5 NF). To convert a French price to the approximate Canadian equivalent, divide by five. The new franc introduced in December 1958 is worth 100 francs (old). Old banknotes are still in circulation and are usually overstamped with the new value.

Coins come in units of 100, 50, 20, 10, 2 and 1 centimes, or old francs. The 100 centime or 1 NF coin is nickel alloy; the 50, 20 and 10 are a bronze alloy and the remainder aluminum. A silver 5 NF coin is also in circulation.

The French franc is convertible only outside the country; French residents are subject to exchange control. Visitors can change their dollars and travellers cheques freely into francs, but cannot change francs back into dollars without a permit, or at least submitting evidence that they imported a larger sum of money. For visitors, it is simplest to take remaining francs out of the country for conversion. Most downtown stores in Paris offer a discount of 15 to 20 per cent on purchases made with travellers cheques.

Canadian Banks and Transportation Companies

There are three offices of Canadian banks in Paris:

The Royal Bank of Canada (France)
3 rue Scribe
Paris 9e
Tel.: RIChelieu 02-40

La Banque Canadienne Nationale
37 rue Caumartin
Paris 9e
Tel.: OPEra 44-21

Bank of Montreal
10 Place Vendome
Paris 1er
Tel.: OPEra 56-37

Banking hours Monday to Friday are: 9 to 12 noon, 2 to 4 p.m. Banks are closed on Saturdays and on afternoons preceding legal holidays.

The following Canadian transportation companies have offices in Paris:

Trans-Canada Air Lines
24 Boulevard des Capucines
Paris 9e
Tel.: OPEra 76-37

Canadian National Railways
1 rue Scribe
Paris 9e
Tel.: OPEra 68-05

Canadian Pacific Railway
24 Boulevard des Capucines,
Paris 9e
Tel.: OPEra 07-94

The Chambre de Commerce France-Canada is located at 9-11 Avenue President Franklin D. Roosevelt, Paris 8e. Telephone: Elysees 32-38 (M. Jean Vinant, Secretary-General).

Hotels

There are many excellent hotels in France but reservations should be made well in advance. Accommodation is always tight and a businessman cannot invariably count on extending his stay beyond the period originally reserved. Canadian trade officers in Paris can make arrangements on request.

Continental breakfast and service charges are usually included in the total bill.

Canadian Missions

There are three Canadian missions in Paris:

Canadian Embassy
35, Avenue Montaigne
Paris 8e
Tel.: BALzac 99-55

Canadian Delegation to NATO
Place du Maréchal de Lattre de Tassigny
(ex. Place Dauphine)
Paris 16e
Tel.: AUTeuil 00-60

Permanent Delegate to UNESCO
35, Avenue Montaigne
Paris 9e
Tel.: BALzac 99-55

Office hours are 9 to 12.45 p.m. and 2.30 to 6.00 p.m.

Missions have 24-hour guard duty and can be contacted when the office is closed for information on how to reach a member of the respective missions.

The Embassy is responsible for relations with the French Government and persons and organizations in France; it contains the Office of the Commercial Counsellor (Trade Commissioner). The Delegation handles Canada's membership in the North Atlantic Treaty Organization and the Organization for European Co-operation and Development (OECD).

Paris contains a large numbe of international organizations; th better known are:

UNESCO
Place Fontenoy
Paris 15e
Tel.: SUF. 86-00

North Atlantic Treaty Organization
Place du Maréchal de Lattre de Tassign
Paris 16e
Tel.: KLEber 50-20

Organization for European Co-operatio
and Development
2, rue André Pascal
Paris 16e
Tel.: TROcadéro 76-00

SHAPE
Rocquencourt (Marly-le-Roi)
(Seine & Oise)
Tel.: GALvani 30-00

The Librarian Suggests

In December the Department of Trade and Commerce library prepared a selective list of publication of general interest to exporters and of particular value to those inexperienced in this field. This issu of *Foreign Trade* lists some of these publications dealing with the over-all aspects of internationa trade. Lists covering specific geographical areas will appear in the next two issues. *Foreign Trade* car not undertake, however, to provide or to order copies of any of the publications.

World-Wide and General Publications on Export Trade

Reference Books and Services

BRUSSELS NOMENCLATURE for the classification of goods in customs tariffs. One volume. EXPLANATORY NOTES TO THE BRUSSELS NOMENCLATURE. Three volumes. A standardized system for classifying commodities for customs purposes developed by the Customs Co-operation Council. The EEC common tariff and the tariffs of other trading nations, especially in Europe, are based on this nomenclature. Price: *Nomenclature*, $10.00 approximately. *Explanatory Notes*, $18.00 for three volumes. Order from Customs Co-operation Council, 183 Avenue Louise, Brussels, Belgium.

EXPORTERS' ENCYCLOPAEDIA. Annua Full information on shipments for all countrie Price: $35.00. Order from Thomas Ashwell Co., 20 Vesey Street, New York 7, New York.

WORLD TRADE INFORMATION SERVIC Three parts. Irregular. The series deals with ind vidual countries throughout the world. Part *Economic Reports,* includes basic economic dat information on investment and establishment businesses. Part II, *Operations Reports,* contai information on exchange controls, licensing, tari regulations. Part III, *Statistical Reports,* has sun mary data on foreign trade. Price: $6.00 for each part. Order from Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

eriodicals

BOARD OF TRADE JOURNAL. Weekly. In addition to information on U.K. trade and industries, this publication contains data on world tariff and trade regulations. Price: $10.00 a year. Order from U.K. Information Service, 119 Adelaide Street W., Toronto, Ontario.

EXPORT. Monthly. The official journal of the Institute of Export. Articles on various aspects of exporting procedures. Free to members of the Institute. Order from Institute of Export, Export House, 14 Hallam Street, London W.1, England.

EXPORT TRADE. Weekly. Articles on export problems. Price: $7.00 a year. Order from Thomas Ashwell & Co., 20 Vesey Street, New York 7, New York.

FOREIGN COMMERCE WEEKLY. Weekly. World trade, export opportunities. Price: $6.00 a year. Order from Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., U.S.

FOREIGN TRADE. Fortnightly. Opportunities abroad for Canadian businessmen. Price: $2.00 a year in Canada; $5.00 abroad. Order from the Queen's Printer, Ottawa, Ontario.

INTERNATIONAL FINANCIAL NEWS SURVEY. Weekly. Summary of financial and trade news throughout the world. Free. Order from The Secretary, International Monetary Fund, 19th and H Streets, Washington 25, D.C.

INTERNATIONAL TRADE REVIEW. Monthly. U.S. magazine on opportunities abroad. Price: $5.00 a year. Order from International Division, Dun and Bradstreet Inc., 99 Church Street, New York 8, New York.

tatistical Reports

INTERNATIONAL FINANCIAL STATISTICS. Monthly. Covers general statistics for individual International Monetary Fund countries. Price: $10.00 a year. Order from International Monetary Fund, 19th and H Streets, Washington 25, D.C.

The following *Trade of Canada* statistical reports, prepared by the Dominion Bureau of Statistics, and UN statistical reports may be ordered from the Queen's Printer, Ottawa, Ontario.

TRADE OF CANADA. ARTICLES EXPORTED TO EACH COUNTRY. Quarterly. Details of exports to each country, by commodity. Cat. No. 65-003. Price: $1.00 a copy, $4.00 a year.

TRADE OF CANADA. EXPORTS. Annual revised trade statistics. Cat. No. 65-202. Price: $3.00.

TRADE OF CANADA. EXPORTS. Monthly. Statistics by commodities and countries. Cat. No. 65-004. Price: $0.75 a copy, $7.50 a year.

UNITED NATIONS COMMODITY TRADE STATISTICS. Quarterly. Trade of the principal trading nations analyzed into 150 commodity groups. Quantity (metric tons) and value (U.S. dollars). Price: $4.00 a year.

UNITED NATIONS DIRECTION OF INTERNATIONAL TRADE. Monthly and annual. Trade statistics between countries. No commodity breakdown. Price: $5.00 a year.

UNITED NATIONS MONTHLY BULLETIN OF STATISTICS. Monthly. Statistics from 150 countries covering more than 60 subjects. Includes indices on exports and imports. Actual prices are given for a few major commodities. Price: $10.00 a year.

UNITED NATIONS YEAR BOOK OF INTERNATIONAL TRADE STATISTICS. Annual. Two volumes. Vol. I, value of merchandise imports and exports in national currency and U.S. dollars. Vol. II, value of trade by large commodity classes and by principal regions and countries of provenance and destination. Price: Vol. I $6.00. Vol. II $2.00.

Index to *Foreign Trade*

The index to Volume 114 of Foreign Trade, *covering the issues from July 2, 1960, to December 31, 1960, has now been printed. Readers who wish to have copies should write to the Editor.*

Australian riggers fit a new length of drill pipe at the Puri field, New Guinea.

Australia Seeks Oil

Canadian firms with specialized experience, particularly in seismic and geological surveys, may wish to explore contacts with leaseholders in Australia in their continuing but costly search for oil.

L. D. BURKE, *Assistant Commercial Secretary, Sydney.*

THE year 1961 promises to be o
of the most active in Australian
exploration. It is a credit to thos
engaged in this Australian industr
that they are tenaciously keepin
up their search for oil even thoug
successful strikes have been surpri
ingly few. In fact after nearly 7
years of exploration and the sink
ing of over 500 wells, oil has sti
not been found in commerci
quantities in either Australia or th
territories of Papua and Ne
Guinea. Interest in the quest, su
ported by the federal and sta
authorities, remains high, howeve
and there are hopes that perha
this year the prospectors will fin
petroleum.

Main Areas of Search

Geologists estimate that Australi
and New Guinea together ha
about two million square miles
the marine sedimentary type of roc
in which most of the world's
has been found. Although sedime
tary basins of this type exist in
the mainland states of Australia,
Tasmania, and in Papua and Ne
Guinea, exploration was until late
confined largely to two regions—
Papua/New Guinea and Weste
Australia. Up to December 196
the Australian Government, priva
companies and private individua
had together spent nearly $150 mi
lion on oil exploration. Of thi
approximately 60 per cent w
spent in Papua/New Guinea, 25 p
cent in Western Australia, and onl
15 per cent in the remainder of t
continent.

The interest in Papua/Ne
Guinea arose primarily because
the producing wells close by
Dutch New Guinea and the expect
tion that petroleum might be ge
eral throughout the island. T
presence of oil in Papua/Ne
Guinea was in fact reported as ear
as 1911. Despite extensive invest
gations ever since, no major di
coveries were made and by mi
1958 the two firms principal
engaged in the work—Briti
Petroleum and Vacuum Oil Co. Pt
Ltd., together with their Australi

artner, Oil Search Ltd.—had just bout decided to abandon their fforts when suddenly, in November 958, oil was brought in at Puri. his strike changed the whole picre, at least temporarily, and the mpanies announced they would ntinue exploration. The most cent development in this disppointing history of oil search in apua/New Guinea is the anouncement by the British Petrolum-Vacuum-Oil Search Group that s latest well, which reached a drill epth of 10,000 feet in January d which seemed promising, has roved to be dry. As a consequence e two overseas companies, British etroleum and Vacuum Oil, plan a eeting in London early this year determine the future of their perations in New Guinea. The nsensus is that they will probably ithdraw from the area. If they do, e Australian partner, Oil Search td., may decide to go it alone in ew Guinea or may switch activies to the mainland where exploraon costs would be much lower.

The State of Western Australia famous as the scene of Australia's first major oil strike. In 1953 e news flashed across the couny that oil in commercial quanty had been discovered at West ustralian Petroleum Pty. Ltd.'s "WAPET") Rough Range Well o. 1. Oil flowed at the rate of 700 allons an hour but unfortunately r only a very short time. The well as drilled deeper but nothing furher was found. For four years WAPET" continued its efforts in e vicinity of the Rough Range Vell, finally abandoning the area in vour of more promising regions other parts of the state. To the nd of 1959, approximately $35 illion had been spent in oil exloration in Western Australia but xcept for Rough Range Well No. 1, nly traces of petroleum were ound.

oncentrate on Eastern Area

Although the search for oil connues in Papua/New Guinea and Vestern Australia, interest in recent years has swung toward the eastern states—New South Wales, Queensland and Victoria. Last year, for example, all but five of the 25 bores begun or completed on the Australian mainland were in this area.

As interest has concentrated on the eastern side of the continent, increasingly larger areas have come under the control of single permit holders. Approximately 1½ million of the 2 million square miles of possible oil-bearing land in Australia and New Guinea is now held by some eighty companies or individuals. Virtually none of Queensland and less than half of New South Wales and Victoria remain open to new oil searchers. The leaseholders include subsidiaries of the world's major oil producers, a few Australian companies not associated with the petroleum industry, and private individuals. By Canadian standards the number of leaseholders involved is small, because extremely large areas are being held under individual permits in the present wildcat stage of the industry. Most state mining laws require a prescribed amount of development work to be done over a given time and this has tended to limit speculation in leaseholding and to confine the retention of permits to companies or individuals in a practical position to explore for oil.

Together with the taking-up of larger areas on the mainland of Australia has come an increasing interest in offshore permits, particularly in areas lying near the coasts of New South Wales, Victoria and Queensland. One large Australian prospecting company, Broken Hill (Pty) Co. Ltd., recently took up permits covering almost the entire area of Bass Strait between the State of Victoria and Tasmania. Another company with overseas backing, Australian Pacific Co. Ltd., has been granted a licence for deep offshore oil exploration in the South Australia area, but it will probably be some time before actual offshore drilling begins. Seismic and other geological survey work will have to be done first and it is customary in the petroleum industry to postpone offshore drilling, which is very expensive, until oil has been found on the mainland.

French Experts Report

On the subject of just where oil may be found in Australia, an interesting and controversial report has just been released on the findings of a team of French oil experts engaged by the Australian Government last year to investigate oil prospects. The team, consisting of three geologists, spent four months in Australia, visiting many of the main sedimentary basins and studying the geological information accumulated on these areas over the years. On the basis of preliminary studies, they have decided that Western Australia is still the area in which petroleum is most likely to be found. They report that other areas are fairly promising also and they have outlined for the Australian Government the types of exploratory program (seismic, gravity, stratigraphical, etc.) that should be carried out in each region.

New Exploration Methods

As significant as the change which has occurred in the areas chosen for search is the change in exploration methods. In the boom period following the discovery of oil at Rough Range in Western Australia, bores were often sunk on a hit-or-miss basis. Lately, companies have been emphasizing geological, geophysical and seismic surveys more and more before choosing sites for drilling. At first this work had to be done by overseas companies with overseas equipment, but in the last few years the numbers of trained Australian personnel (geologists, geophysicists, drilling teams, etc.), and Australian companies capable of providing such services, have increased. At present there are nine firms able to carry out seismic and other proven methods of geological survey. Two are Australian and the others are from overseas, chiefly the United States. The techniques that these companies employ are among the most modern.

Drilling activity is nearly exclusively Australian. Two Australian firms operate over 50 per cent of all available drilling rigs in Papua/New Guinea and Australia. One rig, however, (actually the largest in the country), is owned by one of the most important drilling companies in the world, Delta Drilling Co. of the United States, and some of the individual leaseholders have their own smaller drilling equipment.

Natural Gas

It is hoped that modern techniques will also lead to the discovery of natural gas in commercial quantities in Australia. Signs that the search for this important source of energy may succeed are found in the Roma district of Queensland, where gas was first encountered as early as 1900. Attempts to produce gas and oil from the original wells in this district were frustrated by an inability to keep gas and oil-producing sections free from the water that seeped in, but with up-to-date techniques these problems may be overcome. Tests are to be made at Roma this year to determine if gas in the area can be successfully collected and marketed. The largest of the wells has a confirmed output of 6½ million cubic feet per day; reserves, however, are not yet proven. One other area in Australia has been the site of substantial gas discoveries—Port Campbell in the State of Victoria—and the size of this field is now being investigated.

Government Subsidies

The Australian Government contributes to the search for oil principally through the Petroleum Search Subsidy Act, which came into force in 1957. Under this legislation, subsidies now running at about $4.5 million a year are paid to companies drilling and surveying in approved locations. These payments have helped exploration companies tremendously. For example, the Puri well in Papua/New Guinea, mentioned earlier in this article, has received a $500,000 subsidy. Drilling subsidies are normally paid to a maximum of 50 per cent of actual costs, but they can go as high as 66⅔ per cent for off-structure drilling. Subsidies are also paid for seismic and other geological surveys up to 50 per cent of costs involved. In addition, tax concessions are granted to investors in oil-search companies. The Federal Bureau of Mineral Resources has done extensive geophysical and geological survey work to guide exploration and the siting of wells.

Opinion in Australia is unanimous on the vital importance of finding large oilfields on the mainland or in the territories as quickly as possible. Imports of petroleum are a considerable burden on the country's foreign exchange income; the 12 million tons of crude oil and refined products purchased last year cost Australia nearly $300 million, approximately 12 per cent of the total import bill. Discovery of oil would do much to improve the sensitive balance-of-payments position, although discovery would have to be followed by time-consuming development work and the effect on the exchange position might not be felt for several years. Depending on where it is found, the discovery of oil could also have a tremendous impact on some of Australia's less developed areas.

Opportunities for Canadians

The search for oil continues in Australia. Can Canadian exploration and drilling companies expect to participate in this business and if so, how can they go about obtaining contracts?

As far as drilling is concerned, special attention of Canadian companies is probably not warranted at this time since over 50 per cent of drilling rigs in Australia are currently idle and awaiting contracts. The type of drilling operation being carried out here also works against overseas operators. The normal pattern is to drill a well and when it proves unsuccessful, to move the rig on to the next. Normally it would not pay a foreign company to bring equipment to Australia to develop a single well for which they might be able to obtain a contract. But a major strike would enlarge the scope for additional drilling services, as well as for oil well supplies.

At present, opportunities seem more promising for seismic and other geological work; the trend is towards this type of exploration and Australia still needs the experience of overseas firms. But if Canadian companies are to take advantage of the opportunities, a local contact with potential customers here is indispensable. There are firms in the Australian petroleum industry, drilling companies for example, with whom appropriate working arrangements might be established and the Canadian Trade Commissioner would be willing and able, in the initial stages, to make suggestions and provide introductions. Canadian companies, however, would almost certainly have to send someone to Australia to undertake sales development work with leaseholders.

There is one other possible approach: a large number of oil companies with head offices in the United States—Caltex, Union Oil, Phillips, Standard Vacuum, and others—are leaseholders in Australia, either in their own right or in association with Australian firms. These firms might be approached directly in the United States with a view to obtaining contracts. ●

Readers who would like to have specific information about exploration leases issued to date and a list of the companies and individuals who hold these leases should write the Chief, Engineering and Equipment Division, Commodities Branch, Department of Trade and Commerce, Ottawa. A second article by Mr. Burke, "Australia Builds an Oil-Refining Industry," will be published in the next issue —Editor.

Chile Launches Ten Year Plan

very part of the Chilean economy will benefit from projects cluded in ambitious blueprint for development. Canadians with pital goods or engineering services to sell should watch for oppornities as plan unfolds.

M. KNOWLES, *Acting Commercial Secretary, Santiago.*

HE Chilean Government Develop-ent Corporation, (Corporacion de omento, or CORFO) has just nnounced details of a ten-year conomic development plan, the rst of its kind in Latin America. he CORFO planning department as on the point of implementing similar plan in May 1960 when series of earthquakes and sea-uakes devastated a large area in e southern part of the country nd caused great economic losses. he new plan is an integrated one at takes into consideration recon-ruction needs.

The new program is flexible and ay be modified as circumstances require—for example, by a drop in the world price of copper and hence in foreign exchange earnings, or by the çhanging nature of Chile's rôle in the developing Latin American Free Trade Area.

According to the program, by the end of the ten years the population of Chile will have increased by 25 per cent. Total national production, the hope is, will rise by 61 per cent, agricultural output by 62 per cent, and mining output by 69.1 per cent. Industrial production will go up 76.2 per cent, exports by 77 per cent, and private consumption by 49.1 per cent. Some 420,000 new houses are to be built by 1970, and electric generating capacity increased by 1.3 million kilowatts.

evere earthquakes last year brought devastation to the Chilean south coast; the esulting reconstruction needs had to be incorporated in proposed Ten Year Plan.

The principal ways in which money will be invested in various sectors under the development program are outlined below:

Agriculture

- New irrigation by the Department of Public Works of about 300,000 hectares of land and improvement of a further 600,000. (1 hectare=2.471 acres).
- Irrigation by CORFO of approximately 75,000 hectares.
- Planting of 43,000 hectares with fruit trees (current plantings cover 60,000 hectares).
- Drainage and rehabilitation of 150,000 hectares of land.
- Import of 20,600 tractors.
- Construction and enlargement of 14 milk plants.
- Construction, completion and enlargement of seven refrigerated slaughterhouses.
- Construction and enlargement of nine ice plants.
- Construction and enlargement of 16 fruit-packing and dehydrating plants.
- Construction of 17 dryers and warehouses for grain.
- Construction of 20 mechanized bread bakeries.

Mining

- Current annual production of 473,000 metric tons of copper by the large copper companies to be raised to 705,000.
- Iron ore production to rise from an estimated 6.1 million tons in 1961 to 11.88 million in 1970.

- Nitrate production to go from 1.2 million to 1.4 million tons in the same period.

- Copper output from the medium and small mining enterprises to rise to 158,000 tons a year from 1961's estimated 48,000.

- Production of blister copper by the Government's Empresa Nacional de Mineria (ENAMI) to rise from 20,000 to 46,000 tons a year.

Industries

Specific new industrial projects include the following:

- Cellulose output is to rise from 70,000 to 240,000 tons a year.

- Newsprint capacity to increase from 68,000 to 228,000 tons.

- Steel production to rise from 340,000 to 542,000 tons.

- Output of petroleum refinery products planned to go up from 1.59 to 4 million cubic metres.

- Cement industry to profit from a $39 million investment, fishing from $29 million, and the chemical industries from $27 million. These projected investments are now under study.

- Unspecified investments in substantial amounts envisaged for the following industries: foods, beverages and tobacco; textiles, clothing and shoes; wood and cork; furniture and accessories; paper and cellulose; leather; rubber; chemicals; petroleum and coal derivatives; nonmetallic minerals; basic metallurgy, and diverse manufactures.

Fuels and Energy

- Electrical energy installed in 1960 totalled 1.1 million kilowatts; this is to rise to 2.57 million by 1970. The government power corporation (ENDESA) will increase its installed capacity from 403,000 kilowatts to 1.41 million in this period.

- Crude petroleum output will rise from the 1.83 million cubic metres estimated for 1961 to 4.23 million in the tenth year.

- Productive capacity of coal will rise from 2.2 million tons to 2.8 million in the same period.

Construction

- Hospital construction in the ten years 1949 to 1958 equalled 1,365,000 square metres. According to the program, 779,000 square metres of hospital accommodation will be added each year during this period, compared with an average of 80,000 over the last five years.

- Public buildings will be erected up to a total of 42,000 square metres for each year of the program.

- Some 250,000 square metres of commercial buildings are to be built annually in the same period.

- Public housing will rise by 419 units to total 1,584 units in 1970.

Urban Development

- Each year of the program is to see 1.65 million square metres of paved streets laid down.

- Drinkable water will be supplied to 6.8 million citizens, slightly more than double the present number served.

- Some 4.13 million people, or approximately 60 per cent of the urban population, will have sewage services, compared with only about 2½ million now.

Telecommunications

- An over-all investment program of up to $75 million in the telegraph, telephone, radio, and television systems is expected.

Transportation

- The railway line from Santiago to Temuco is to be electrified and 1,500 kilometres of track replaced. Locomotives and rolling stock will be purchased and the signalling and communications systems modernized.

- At the moment, Chile has 2,800 kilometres of paved concrete and asphalt roads. By the end of the program, it will have 5,500 kilometres.

- Twelve major harbours and a number of less important ports are to be built or improved.

- Twenty-one airports are to be constructed or improved.

- The Merchant Marine is to grow from 300,000 deadweight tons to 480,000.

- Trucks and other heavy vehicles will rise to 84,000 in the tenth year from 66,000 today.

- There will be 8,500 buses and 8,900 taxicabs in Chile by 1970, compared with 5,600 and 7,400 at this time.

- Purchase of commercial aircraft is currently under study.

Financing Is Problem

There is no doubt that Chile will be obliged to seek foreign credit on a large scale to implement this plan, which calls for the investment of hundreds of millions of dollars. If satisfactory credit arrangements can be negotiated, Canadian manufacturers of a very wide range of products may be able to make substantial sales to Chile. Prominent among the capital goods that Chileans will be purchasing are hydroelectric power plants, locomotives pulp and paper machinery, telecommunications equipment, and many others that the above outline of the plan may suggest.

Readers who are interested in obtaining further information on Chile's development plans and the specific sales possibilities as it unfolds should write to the Acting Commercial Secretary, Canadian Embassy, Casilla 771, Santiago Chile. Details of calls for tender may also be obtained from R. A Frigon, Chief, Engineering and Equipment Division, Department of Trade and Commerce, Ottawa The Export Credits Insurance Corporation, Box 655, Ottawa, can provide the latest available information on credit arrangements. ●

Advertising Abroad

n Egypt, direct mail brings a good response; takes the place f advertising in trade magazines, which have not yet appeared.

. S. ARMSTRONG, *Commercial Counsellor, Cairo.*

HE Egyptian Region of the United rab Republic is commonly termed n under-developed country and dvertising there is an under-developed art. By Canadian standards it as a long way to go, but by Middle ast standards Egypt is one of the w countries in the area with some dvertising knowhow and organ-ation, according to specialists who ave made comparative studies. The ain obstacle to the improvement f advertising standards is that gypt, in a sense, is cut off from utside competition and contacts. he number of Egyptians with oreign training in this field is lim-ed, the language barrier has to be vercome, and the controls on nports of consumer goods have estricted foreign advertising and leas as well.

ewspapers

Virtually all types of advertising nown in Canada are used in Egypt o varying degrees. The publishing ndustry is fairly well developed and ewspapers and magazines un-oubtedly obtain the largest share f advertising expenditure. (Few tatistics are available.) Publishers oint out that although Egypt's opulation is an estimated 24 mil-ion, circulation of newspapers otals only 400,000 per day. If one ssumes that five people read a aper, newspapers reach only 8 per ent of the population, chiefly be-ause of the illiteracy problem and he low purchasing power—per apita income is $112 a year and many cannot afford a newspaper. As a corollary, when a firm is planning an advertising campaign, two million people can be considered as potential customers.

Radio and TV

Radio and television—the latter introduced in July 1960—are owned and operated by the Government. Radio advertising began in January 1960. Sponsored programs have not yet been accepted and advertising is limited to spot announcements of 15, 30 and 60 seconds. Only one of the five radio channels is used for advertising (TV has only one channel) and a typical rate as quoted by the Société Egyptienne de Publicite (the sole concessionaire) is £E75 ($170) per week for seven 60-second announcements between 9 p.m. and 12 p.m. (The "message", however, must be limited to 20 seconds.)

Direct Mail

One publishing-advertising firm is going in for direct mail and if this proves successful, it will no doubt be taken up by others. It offers a good substitute for trade magazines, which do not exist in Egypt. Selective lists are compiled for the professions; owners of cars, TV and radios; members of clubs, and even persons who pay income taxes. Naturally the more personal the letter, the more effective the campaign. It is not uncommon for advertisers to receive acknowledgments, thanking the manufacturer for bringing his message to the attention of the recipient. The same firm distributes *Al Mokhtar,* the Arabic version of *Reader's Digest.* Starting with a select mailing list of 1,000, addressees were asked for names of ten friends in return for a free subscription. Of the 100,000 names received, direct mail advertising produced 35,000 paid subscriptions—a high proportion for any form of advertising.

Films and Slides

Film slides and short films are shown during intermission in all cinemas—that is, before the feature film. These are not too sophisticated and viewers occasionally wonder if the sponsor is trying to make an impression by getting a laugh from the audience. Painted and electric signs are often an attractive form of outdoor advertising; billboards and posters are less successful. The best signs are those advertising travel agencies and airlines; they reflect the influence of foreign ideas or the need to cater to foreign tourists. Window display is also a rather undeveloped art and is influenced by the oriental bazaar, where as many items are displayed as space will allow.

Taboos

Foreign advertisers are unlikely to encounter any difficulties over tastes and customs acceptable in Canada but not in Egypt. Although the Moslem religion has a strict ethical code, it is interpreted liberally so far as advertising is concerned and only the more lurid movie billboards are censored. Moslems abhor pigs and, to a lesser degree, dogs, and references to or pictures of these animals would be considered in bad taste. A few English words have a bad meaning or sound in Arabic and should be avoided. Pictorial advertisements show men and women in western clothes rather than the native galabia and melaya, and skin colouring is always fair.

Advertising Firms

The advertising business in Egypt is virtually monopolized by the three major newspaper publishing houses and the one magazine publisher. Each has its own special department which operates like an advertising agency in Canada. However, there has been a definite trend toward monopoly by the Société Egyptienne de Publicite, the advertising branch of Dar al Gomhouria (newspaper publishers) which has been state-owned for some years. With the nationalization of the press in May 1960, co-operation among and co-ordination of the advertising departments of the various newspapers have been intensified. In addition, SEP has obtained concessions in fields other than magazines and newspapers, such as radio, outdoor and theatre advertising.

With the decline in imports of consumer goods, advertising firms specializing in foreign business have been eclipsed. There are only two firms of any substance left and they exist solely to service airline accounts. Other than these, there are no firms with reciprocal arrangements with foreign advertising agencies, although such arrangements could be made if the demand arose.

Market Research

Market research is not highly developed in Egypt. A number of firms both within and outside advertising circles are prepared to offer this service, but there are only a few people with specialized training. When an international soft drink manufacturer called for quotations for a market survey, offers ranging from £E300 to £E5,000 were received. Nevertheless, wit care and the right contacts, a clier can find individuals competent t conduct useful market research.

Trade Fairs

Cairo has been the scene of number of successful trade fairs and with the exception of Damascus, is almost the only centre in th Arab countries of the Middle Ea where such fairs are held. Th Egyptians have a reputation fo arranging attractive exhibitions. Th types of fairs which have been hel in recent years include national (i.e foreign) exhibitions, internationa cotton fair, petroleum exhibitio international agricultural show (t be held during March), and domestic industrial and agricultura fair. Admission is open to th public and attendance, includin people from neighbouring countrie is usually high. Overseas companie might consider participation if the are selling a product which can b imported freely. ●

Trade Commissioners on Tour

In Canada

K. G. RAMSAY, who will take up his duties as Commercial Secretary in Lima, Peru, in August, will visit Montreal, March 20-24 and Toronto, April 24-28. Businessmen who wish to see Mr. Ramsay should get in touch with the Board of Trade in Montreal and the Canadian Manufacturers Association in Toronto.

In Territory

J. H. BAILEY, Commercial Secretary in Bogota, Colombia, will visit Quito and Guayaquil in Ecuador in April.

W. G. BRETT, Assistant Commercial Secretary in Paris, France, will tour the French Community countries in Africa during April. His itinerary covers Nouakchott, Fort Gouraud and Port Etienne in Mauretania; Dakar in Senegal; Conakry, Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

C. G. BULLIS, Assistant Trade Commissioner in Kingston, Jamaica, will visit Belize, British Honduras, from March 16-23.

H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from April 23-29.

G. L. GAGNE, Assistant Commercial Secretary in Mexico City, will visit Monterrey from March 13-15.

W. J. JENKINS, Acting Commercial Secretary in Lima, Per will visit La Paz, and possibly Sucre and Potosi, in Bolivi from March 15-27.

I. V. MACDONALD, Commercial Secretary in Colomb Ceylon, will visit the Maldive Islands about the middle March.

G. A. NEWMAN, Commercial Counsellor in New Delhi, w visit Hyderabad and Bangalore from March 13-17.

L. J. TAYLOR, Assistant Trade Commissioner in Johanne burg, South Africa, will visit the Malagasy Republic fro April 17-25.

R. K. THOMSON, Commercial Counsellor in Vienna, Austri will visit Budapest, Hungary, from March 20-23.

W. B. WALTON, Acting Commercial Secretary, Beirut, wi visit Kuwait and Bahrain about March 15.

Businessmen who would like these officers to underta assignments should get in touch with them at their posts soon as possible. Write to Mr. Bailey at Bogota, Mr. Brett Paris, Mr. Bullis and Mr. Campbell at Kingston, Mr. Gagne Mexico City, Mr. Jenkins at Lima, Mr. Macdonald at Colomb Mr. Newman at New Delhi, Mr. Taylor at Johannesburg, M Thomson at Vienna, and Mr. Walton at Beirut.

arkets in Brief

gyptian Region

nited Arab Republic

rea: one million square kilometers approximately, but the cultivated and inhabited area totals only 36,000 square kilometers.

opulation: 24 million, approximately.

limate: mild in coastal areas and hot in the Nile Valley.

anguage: Arabic; English and French spoken by business community.

urrency: Egyptian pound; official rate E£1=Can.$2.8321.

eights and measures: metric system (as from January 1, 1951).

apital: Cairo.

hief ports: on Mediterranean Sea—Alexandria and Port Said; on Red Sea—Suez.

arketing centres: Cairo (population) 3,000,000; Alexandria 1,500,000; Port Said 500,000; Suez 250,000.

conomy: agricultural economy with cotton chief export; revenue from Suez Canal and tourists important; recent emphasis on industrialization and oil production.

otal Egyptian imports: 1959—E£211.1 million; 1958—E£ 238.2 million; 1957—E£182.5 million.

hief imports: 1958 (in millions of E£)—cereals 38.9, petroleum products 35.3, chemicals and pharmaceuticals 35.1, paper and wood 19.0, textile materials 11.2, metals 18.5, vehicles 17.9, machinery and electrical materials 3.3.

hief suppliers: 1958 (in millions of E£)—Western Europe (mainly Germany and Italy) 102.2; Eastern European countries 84.7; North and South America 21.6; Asia, Africa, Australia 19.5; Arab League countries 10.2.

alue of imports from Canada: 1960 (eleven months)—Can. $1,821,369; 1959—Can.$1,958,399; 1958—Can.$1,207,344.

hief imports from Canada: 1959 ('000 Can.$)—bleached, dissolving pulp, sulphite 285.4; asbestos milled fibres 260.4; flour of wheat, n.o.p., 206.8; milk powder, skimmed milk 206.1; medicinal preparations 135.3; drugs and chemicals 130; newsprint paper 109.

otal Egyptian exports: 1959—E£146.8 million; 1958—E£ 162.4 million; 1957—E£170.0 million.

hief exports: 1958 (in millions of lb.)—cotton 124.0, vegetable and food products (rice, onions, peanuts, prawns) 25.3, minerals 6.3, chemicals 2.3.

hief markets: 1958 (in millions of E£)—Western European countries 45.2; Eastern European countries 66.3; North and South America 3.5; Asia, Africa, Australia 34.0; Arab League countries 13.0.

alue of Canadian purchases: 1960 (nine months)—Can. $516,631; 1959—Can.$281,329; 1958—Can.$271,235.

TURKEY
CRETE
CYPRUS
Mediterranean Sea
LEBANON
U.A.R. SYRIA
Port Said
Gaza
Alexandria
Suez Canal
Ismailia
Suez
Cairo
ISRAEL
JORDAN
LIBYA
SAUDI ARABIA
Nile River
U.A.R. EGYPTIAN REGION
Luxor
Red Sea
Aswan
SUDAN

Chief Canadian purchases: 1959 ('000 Can.$)—fresh onions 130.4; dried vegetables, n.o.p., 25.3; animal charcoal for sugar 13.1; shrimps, prawns, fresh, frozen 8.4; raw cotton 8.1.

Dollar exchange: reserved for imports of industrial equipment, raw materials, and other essential items such as medicines; imports subject to licensing and to a premium over official rate, payable in local currency.

Prices: quoted in all currencies but preferably in Egyptian pounds c.i.f. Alexandria.

Samples: allowed if of no commercial value.

Trade agreements: most-favoured-nation agreement with Canada. Equal tariff treatment of imports from all countries.

Import controls, documentation, customs tariffs, marking and labelling: consult the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Canadian banks: no Canadian bank established.

Correspondence: allow 10 days for airmail (letters 25 cents per half-ounce); 6 weeks for seamail.

For detailed information on this market write to:

Asia and Middle East Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
Kasr el Doubara Post Office
Cairo, Egypt

Pharmaceuticals:
Brazil Builds a Local Industry

Canadians may find a limited but steady market for bulk pharmaceuticals for further processing and for pharmaceutical raw materials, though the Brazilian industry is growing rapidly.

MALCOLM ROWAN, *Assistant Commercial Secretary, Rio de Janeiro.*

BRAZIL is the world's seventh largest producer of pharmaceutical products, manufacturing over U.S.$ 200 million worth of drugs and medicines in 1959. This achievement is a direct result of active participation over the past ten years by foreign pharmaceutical laboratories, which have brought with them into the country all the advantages of advanced technology and research, as well as modern production methods.

Today, over 96 per cent of the industry is concentrated in the two cities of Sao Paulo and Rio de Janeiro.

Sources of Foreign Investment	Per cent of total sales
U.S. and U.S./Brazilian	31.0
France and Franco/Brazilian	10.0
Switzerland	7.1
Italy and Italo/Brazilian	5.0
Germany	1.9
United Kingdom	1.0
Scandinavia	1.0

Investment Incentive

One incentive to investment by foreign pharmaceutical companies is provided by the Superintendency of Money and Credit's (SUMOC) Instruction No. 113, which provides that an import licence may be granted to a domestic or foreign investor to bring in machinery and equipment without his having to observe the normal requirement of purchasing dollars to pay for imports at an exchange auction. This exemption is subject to proof that a capital investment is being made, that the import is not a drain on the foreign exchange resources, and that similar equipment is not made in Brazil. The Brazilian company cannot pay for these capital goods with cash, and they cannot be sold during their "normal" life. The foreign supplier takes shares in the Brazilian company in lieu of cash. To qualify, sufficient equipment to constitute a complete installation or to complement existing facilities must be purchased. Since imports of finished pharmaceutical products are severely curtailed, Instruction 113 makes foreign investment especially attractive.

Imports

Before 1953 there were no serious restrictions on imports; some 4,000 different kinds of pharmaceutical specialties were imported. Sin then, however, only those produ (about 30) considered absolut essential can be imported. As t domestic industry develops, ev these decrease in number. The ma imports are set out in the acco panying table.

Domestic Production

Ethical drugs and proprieta medicines, including antibiotics (per cent by value of the industr production), hormones, vitami and tranquillizers (35 per cen anesthetics, sulpha drugs and me cines (25 per cent) are man factured in quantity. Ethical dru comprise about 82 per cent of t industry's total output; proprieta drugs account for the remaind This production is consumed alm entirely by the domestic mark since its buying capacity is increa ing constantly with the rise in pop lation and national income. Pe cillin is already produced in su cient quantities to permit expo

BRAZIL'S IMPORTS OF PHARMACEUTICAL AND MEDICINAL SPECIALTIES

	1957	1958	1959	1960*
	(in thousands of U.S. dollars)			
Total imports	**18,643**	**16,012**	**10,148**	**6,000**
Of which:				
Antibiotics, all forms including preparations	8,558	7,065	4,895	3,161
Hormones, organotherapeutic substances, all forms including preparations	3,008	3,210	2,006	927
Vitamins, salts and derivatives	3,799	35,008	1,655	1,013
Alkaloids, salts and derivatives, excluding dosed preparations	1,216	1,141	1,010	507
Medicines	1,203	718	365	137
Biological products, all forms including preparations	326	192	97	189
Vitamin preparations, including injections	35	25	54	29
Other pharmaceutical and medicinal preparations	485	157	66	37
Sulphas, all forms including preparations	12	1	—	—

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* January-June

Source: SEEF—Ministry of Finance.

SALES AND IMPORTS OF PHARMACEUTICAL SPECIALTIES

(excluding imports of raw materials)

	Sales (U.S.$'000,000)	Imports	Can. Exports (in Can.$'000)
53	116	17.1	22.0
54	113	28.1	167.0
55	118	16.4	2.7
56	145	15.3	.5
57	198	18.6	14.5
58	175	16.0	3.0
59	180	10.1	23.0
months 60	N.A.	6.0	29.0

ithout affecting supply to the omestic market. Streptomycin, tracycline and chloramphenicol re being produced in quantity; ther antibiotics are manufactured n limited amounts and production f more recently discovered medines is planned.

alue of Imports Maintained

About 97 per cent of all pharmaeuticals used in Brazil are locally nade. However, U.S.$28 million vorth of raw materials still has to e imported each year. Though the bsolute value of raw materials imorts might increase in the future, he percentage of imports used in ocal production will steadily decline s the domestic chemicals industry ncreases its output. Production in he combined chemical and pharmaeutical industries rose by 10 per ent in 1959 and by a further 10 er cent during the first six months f 1960.

There is a direct correlation beween the sources of imports of harmaceutical products and raw naterials and the sources of foreign nvestment shown in the accomanying table. At present, pharmaeuticals imported in bulk, or for vhich raw materials are obtained, re chiefly penicillin and other antiiotics, vitamins, hormones, tranuillizers and sulpha drugs.

Brazil is also trying to step up ales abroad of pharmaceuticals. lthough only U.S.$406,000 worth vas shipped in 1959 and only U.S. 293,000 worth during the first ix months of 1960, exports, specially to other Latin American countries, show every indication of future expansion. Serums, antibiotics and hormones are the chief products shipped.

Import Restrictions

All imports into Brazil are divided into categories for foreign exchange purposes. A few medicaments, vaccines and surgical dressings are placed in the General Category, under which exchange certificates may be purchased at the rate applicable to essential imports (currently 231 cruzeiros per U.S. $1.00) and are subject to ad valorem duties that range up to 50 per cent. Most other pharmaceuticals are placed in the Special Category applicable to non-essential imports (with an exchange rate of approximately 659 cruzeiros per U.S. $1.00) which makes their import under normal commercial procedures almost impossible. In addition, they are subject to ad valorem duties of up to 120 per cent. Special Category imports require import licences in addition to the exchange certificate. Price control of retail sales of pharmaceuticals makes import still more difficult.

Drugs classified as General Category imports may be imported automatically after an exchange certificate has been purchased from the Bank of Brazil at a foreign exchange auction. However, the importer must now wait 150 days after purchasing the exchange certificate to get the dollars.

Export Opportunity

Although Brazil has not fully developed her pharmaceutical industry, it is operating under heavy protection and is quickly reaching maturity. Production still depends on fairly large imports of raw materials but since the major Brazilian laboratories are controlled by large foreign companies, most of their supplies will probably continue to come from these parent companies. However, there are some opportunities to sell pharmaceuticals, especially raw materials and bulk products. ●

India: New Steel Exporter

INDIA is now beginning to benefit from the production of the three large government-owned steel mills (Bhilai, Rourkela and Durgapur) and completion of expansion programs at the two private mills; supply of steel is rapidly shifting from serious shortage to self-sufficiency and potential surplus. In a recent statement the Minister of Steel, Mines and Fuel said the production of finished steel in 1960 reached 2.2 million long tons, compared with 1.8 million in 1959 and 1.36 million in 1958. Production of saleable pig iron in 1960 amounted to 1 million long tons, compared with 800,000 in 1959 and only 400,000 in 1958.

Although India remained a heavy importer of finished steel during 1960, in 1961 the only significant imports are expected to be special, tool and alloy steels, tin plates, thin-gauge sheets, and wire of special types.

During 1960 India began to export modest quantities of primary iron and steel; by year-end, the Government had signed contracts with consumers in the United Kingdom, Europe and Japan for the sale of 330,000 long tons of pig iron, steel ingots, slabs, blooms and billets. During 1961, the Minister announced, India would be seeking export markets also for some finished steel products such as heavy plates, structurals, and wide strips and coils. Exports of iron and steel scrap are increasing—to 325,000 long tons in 1960 from only 290,000 in 1959 and 116,000 in 1958.

India's annual steel output capacity is now 6 million long tons of ingots and 4.5 million of finished material. During the Third Five Year Plan the Government hopes to increase this to 10.2 and 7.5 million long tons. The plan calls for major expansion programs at the three government-owned mills just being completed, construction of a fourth publicly owned mill at Bokaro, and the building of a special, tool and alloy steels plant.

Serious obstacles include the shortage of technicians and skilled labour, lack of foreign exchange to purchase foreign machinery and equipment, internal transportation difficulties, and delays in expanding production of coking coal. Despite these problems, India, with its enormous resources of high-grade iron ore, seems likely to become over the next few years a significant new contender in iron and steel markets.

J. R. MIDWINTER, *Assistant Commercial Secretary, New Delhi.*

U.S. Farm Policies for the Sixties

A comprehensive study of economic policies for U.S. agriculture in the next few years was recently released by the Joint Economic Committee of Congress. The implications of these alternative policies are discussed here, for the benefit of Canadians interested in agricultural production and in trade in agricultural products.

JOHN MacNAUGHT, *Assistant Agricultural Secretary, Washington.*

THE basic objective of this agricultural study, prepared under the guidance of Walter Wilcox of the Library of Congress, was to place in perspective the farm income and adjustment problem of the 1960's and to analyze the economic implications of alternative policies that might be adopted in dealing with it.

Four alternative programs are outlined in the study:

1. Voluntary land retirement

2. Improved production control for basic commodities and voluntary land retirement of feed-grain acreages

3. Direct management of mark
supplies

4. Direct payments without pr
duction controls.

John W. Lehman, acting execu
tive director of the committee, i
a letter of transmittal submitting th

port, explained that the analysis intended to help committee mem-rs, Congressmen and others in eir efforts to find the most desir-ble combination of programs in e 1960's to reduce government rm-program costs and existing rm surpluses and at the same time aintain or improve farm income. hough the study itself espouses no articular program, Mr. Lehman id that the economists who par-cipated in it were agreed that farm rices and income would shrink rastically if present price-support roduction control and conservation eserve programs were abandoned ithout being replaced by some ternative program.

Key factors expected by the uthors to affect commercial agri-ulture in the coming decade are:

- Possibilities for increasing the emand for food in commercial arkets both at home and abroad. emand increases, however, would e limited largely to meeting ex-anding population needs.

- A moderate expansion in indus-rial demand for farm products. his may be partially or fully off-et by further development of in-ustrial substitutes—such as syn-etic fibres, plastics and detergents.

- Expansion in production. This ay continue faster than market utlets expand at stable prices be-ause of advancing technology on he farm.

- Farmers' production expenses, hich are expected to continue ising.

- The continuing difficulties rural eople may face in obtaining em-loyment in non-farming industries ecause of educational deficiencies, istance from employment centres, ultural differences, and insufficient rowth in job opportunities.

ncome and Adjustment

In a section dealing with agri-ulture's income and adjustment roblem, Walter Wilcox noted that as farm families entered the 1960's their incomes relative to non-farm incomes were lower than at any time since the 1930's.

On adjustments in the farm economy, Mr. Wilcox is of the opinion that in the next ten years, increased exports alone will not solve the farm problem and that prospects for sharply increased commercial exports of United States farm products are not good. Though the opportunities for expanding PL 480 exports may appear almost unlimited there is, in his view, a definite limit to the quantities that can be used in an orderly manner in needy countries. He states that in the long run it is probable that most of the increased supplies in the less developed countries must come from domestic production. An expansion of PL 480 programs large enough to reduce stocks to desirable figures without decreasing current production or price levels does not appear feasible.

Looking at the domestic scene, Mr. Wilcox concludes that the abandonment of price-support and control programs would cause domestic prices to fall below world levels and exports would increase beyond current subsidized levels. Under these conditions, imports would not rise substantially and in some cases might even decline. But if, on the other hand, current programs were dropped without replacement by others, farm income would drop several billion dollars. Projections in farm production, prices and income for 1965 indicate a drop of 36 per cent from 1959 and 45 per cent from 1958 if production controls and price supports were discontinued. Like his colleagues, Mr. Wilcox believes that programs to prevent excessive farm output or increased government payments appear to be needed to prevent further decreases in commercial farmers' income in the 1960's.

With this background, the report on economic policies for agriculture goes on to discuss the following supply management programs and the use of direct payments as a means of improving farmers' income. Their presentation in the report is not intended to demonstrate the superiority of one alternative over others, and it is expected that farm programs in the 1960's may well combine features outlined in several of these alternatives. Undoubtedly the study will be considered in the drafting of new farm programs.

Voluntary Land Retirement

The first of the four alternatives deals with voluntary land retirement. As described by the author of this section, Professor John A. Schnittker of Kansas State University, land retirement would be a substitute for acreage allotments, marketing quotas and stock accumulation, all of which support prices now. However, it would continue one serious flaw of earlier programs —a commitment to support "all output from a given acreage". A plan that would take out of production 15 to 25 per cent of land used for crops could maintain farm income at the 1959 level, at a cost of about $2 billion a year by 1965. This, he noted, would be less than the annual cost of the current farm program. One alternative that he envisages would require that land retirement would be distributed much like acreage allotments currently in effect but it would be more extensive. It would focus on wheat and cotton directly and on feed grains indirectly. For example, he calculates that in 1965, 75 million acres of wheat would be planted if 1959 prices prevailed but with no acreage allotments. The harvest that would result, he states, would depress prices severely unless stocks were increased. Therefore enough land would have to be retired so that only 50 million acres remained in those areas to be planted to wheat. This would require that up to 17 or 18 million acres diverted from wheat to feed grains after 1953 be idled. In addition, about 8 million harvested acres of wheat currently being produced for stocks would also need to be retired. With this program concentrating on land retirement in wheat and cotton areas, he projects that in 1965 farmers would receive a price of about $1.75 per bushel for their wheat.

Professor Schnittker also discusses a second land retirement plan. Whereas maintenance of wheat and cotton prices dictates his first land-retirement pattern, the second program would support the price of cotton and feed grains near 1959-60 levels but with the important difference that wheat would be priced as a feed grain. The author describes this program as one providing for slightly higher average prices for corn, oats, barley, grain sorghum, and cotton and at the same time allowing for lower wheat prices. For example, with retired land distributed among all grain and cotton areas, he anticipates that farmers would receive a price of about $1.35 per bushel for wheat in 1965. Either scheme is estimated to be less costly than the present acquisition and storage programs. There are, however, large differences between the two in the location of idled land and in effects on regional income.

Production Control

Dr. Dale E. Hathaway of Michigan State University discussed a proposal for improved production control for five basic commodities—cotton, wheat, rice, peanuts and tobacco—and voluntary land retirement of feed-grain acreages. To reduce the production of the five basic commodities to bring their output in line with annual disappearance, he assumes that some kind of quantity production controls would be placed upon them. Probably these would consist of bushel quotas for the grains and poundage quotas for the other controlled crops. The difference, however, would be that the farmer would be given a maximum sales quota rather than an acreage allotment. He believes that under a program which applies such quantity controls, farmers would probably reduce the acreage planted to those controlled commodities to levels which would produce the approximate output to fill their marketing quotas. Under these conditions, the projected planted acreage of wheat in 1965 is 49.3 million acres.

The major change in crop production anticipated under such a program would be increased feed-grain output. The income of the producers of controlled crops would decline somewhat from 1959 levels because output would be the same or lower and prices would be no higher. However, the greatest relative decline would be in the income of feed-grain and livestock producers. In addition, Dr. Hathaway notes that under this program of production control, federal expenditures for price-support programs would not end. The present export subsidy for wheat and cotton would have to be continued if the income of producers were to be maintained even close to recent levels. He also says that the PL 480 program would have to be maintained at about present levels and the present soil-bank expenditures would be required. The major gains to the Federal Treasury would be the reduction of losses on the program of price support for feed grain and the reduction of storage costs as inventory accumulation was ended.

For the associated problem of over-capacity in the United States feed-livestock economy, Dr. Hathaway suggested that one method of maintaining farm income is to induce voluntary retirement of feed-grain acreages. The problem then becomes one of getting feed grain producers to reduce output, "by some method which will reward those who co-operate more than those who fail to co-operate. A price-support program of the type presently operated will not do this." Dr. Hathaway thinks that one method might be to provide adjustment payments to those farmers cutting down feed-grain output by a predetermined percentage of thei recent production history. This program, he contends, would have th advantage of needing no price supports, acreage costs, or export subsidies for feed grains. But there ar disadvantages too. These includ probable encouragement of farmer to boost yields on their reduce acreage and a restriction of livestock output because of reduce profit margins.

Managing Market Supplies

Professor Harlow W. Halvorson University of Wisconsin, discusse direct management of market supplies as another method of maintaining a continuing balance between them and the demand. Unde the program he envisages, nationa rates of marketing would be established for individual commoditie and translated to individual producers, perhaps in somewhat th same way as national acreage allotments are currently allocated farmers. But unlike programs tha limit use of resources, market-control programs contemplate little o no supervision of on-the-farm management decisions of farmers.

Professor Halvorson believes program for direct management o market supplies would be mos practicable if applied on the basi of an individual commodity. Thi approach would permit each commodity program to be so designe as to take into account the specia circumstances surrounding its production and marketing. In addition this would permit programs to b developed and adopted by producer of a given commodity wheneve they felt existing or prospectiv conditions warranted such a step Because a program of this natur contains a number of new and relatively untried features, Professo Halvorson comments that the us of this approach experimentally fo several years may be desirable t appraise the strength and weaknesses of the device. Further, "because the dairy and poultry industries are relatively more isolate from the rest of agriculture in term inter-commodity demand and ipply forces, it may be desirable, producers support such a pro-ram, to give them the opportunity proceed with programs on a trial asis." Generally speaking, he elieves this approach to be one hich offers more promise in the 960's for some commodities than r others.

irect Payments

Reporting on direct payments ithout production controls, Pro-essor George E. Brandow, Penn-ylvania State University, stated hat a simple unlimited direct-pay-nents program carried out on a cale sufficient to hold net income of farmers from farming during the early 1960's at the 1959 level of $11.3 billion might cost $5 billion or more a year. A variant of a direct-payment program discussed by Professor Brandow would limit payments to one producer to $2,500 and would be designed so that payments are made only on 80 per cent of each producer's base production or sales. It is expected that this scheme would reduce substantially the incentive of unlimited payments to encourage expansion of output.

Although a direct-payments program along the lines described by Professor Brandow could encourage the conforming of the composition of farm output to market demands, aggregate output is likely to remain high enough to depress the general level of farm prices. Direct payments appear to him to be capable of alleviating much of the distress likely to accompany a free market, but a program of moderate cost apparently cannot maintain over-all returns to farmers for their labour and investment, even at current levels.

According to Professor Brandow, any sharp or dramatic increase in farm income would require even more effective and extensive production and/or marketing limitations, with some form of land retirement and selective programs of direct payment. ●

Commodity Notes

gricultural Machinery

FRANCE—Massey-Ferguson Limited of Toronto pened its third French factory last November in Beauvais. It will turn out 250 MF825 tractors a day—25 h.p. model for use on average-size farms. About alf the output is intended for sale in the Common Market and to other foreign countries, including the United States—Paris.

Apples

RELAND—The Irish Department of Agriculture will rant licences for the import of raw apples from March 16-June 15, 1961. It is estimated that the supply of dessert apples from the 1960 crop will be exhausted by mid-March—Dublin.

Apple Juice

UNITED KINGDOM—One of the largest apple-packing co-operatives in Britain will soon begin marketing apple juice mixed with 25 per cent pineapple or orange juice in elongated 16 oz. tins. The choice of mixtures and can size resulted from extensive consumer preference studies based on sampling. The firm expects to juice about 2,500 tons of apples from the 1960 crop and to begin retail distribution in April. Initial sales are to be supported by television and point-of-sale promotion—London.

Chemicals

NETHERLANDS ANTILLES—The Government Information Service of Aruba has announced that approximately $26 million will be spent on the development of a chemical complex in the Balashi area of the island. This will include an ammonia plant to be built by the Standard Oil Company of New Jersey, and fertilizer, urea, nitric acid and sulphuric acid plants to be built by the Aruba Chemical Industries N.V., a company formed by the International Development and Investment Corporation of Nassau. It is expected that the construction of the ammonia and fertilizer plants will begin in June and be completed in two years—Caracas.

Corn Products

BRAZIL—Corn Products Co.'s Brazilian affiliate, Refinacoes de Milho Brazil, will build a U.S.$10 million plant at Mogi-Guacú, São Paulo. The plant will be the largest corn wet-milling facility in South America and construction is scheduled to begin early this year. The company currently operates a corn-grinding plant in São Paulo city, and other plants in Argentina, Colombia, Mexico and Venezuela. Another is to start operations in Uruguay—São Paulo.

Cotton

BRAZIL—Cotton classified by the São Paulo cotton exchange to the end of October, 1960, totalled 197,328 tons, compared with 187,932 tons on the same date in the previous season. Of the cotton classified in the 1959-60 season, 13 per cent was type 5 or better. This did not equal the 1959 figure of nearly 20 per cent —São Paulo.

Electrical Equipment

BRAZIL—"Cesa"—Construções Eletromecânicas S.A., of Porto Alegre, is negotiating the import of machinery and equipment for its electrical equipment plant which manufactures hydraulic turbines, generators, transformers, electric switchboards, etc. The transaction is valued at about U.S.$2.7 million and will take place without exchange cover in the form of an investment of foreign capital. The following companies are the principal foreign investors: Stabilimenti Elettromeccanici Riunit Ansaldo San Giorgio, Genoa; Ercole Marelli S.p.A., Milan; Officine Electro-Meccaniche Galileo di Battaglia Terme S.p.A., Milan; Magrini S.p.A., Bergamo; Construzioni Meccaniche Riva S.p.A., Milan—São Paulo.

Furs

SWEDEN—Mink now accounts for 99 per cent of all fur animals bred in Sweden and the number of breeding females has risen to 251,068 in the past 12 months, the National Fur Breeders Association of Sweden says in its report for the fiscal year 1959-60. Nutria, blue fox and chinchilla have also shown some increase.

The largest number of mink are of pastel and standard types. Most of the increase over the year is accounted for by black, brown, white and pearl mink; grey and blue mink have decreased.

During the fiscal year ended March 30, 1960, the Association's sales organization, Ansa, held five auctions at which 637,342 mink and 5,582 fox pelts were offered for sale, compared with 541,216 and 4,697 pelts for the preceding 12 months. Prices for standard mink have tended to fall but most of the output was sold at the beginning of the season and thus fetched higher prices than were later obtainable. Most of the Swedish mink pelt production is exported.

During the year the Swedish Fur Breeders Association became a member of the Scandinavian Fur Committee, which now includes the four northern countries. The committee handles mutual sales promotion activities and the members market their top-quality fu under the joint brand "Saga". The classifying is dor according to stringent rules. Only an estimated 20 pe cent of the total production is approved as Saga qualit

At a recent meeting of the heads of the four auc tion companies, it was announced that three new colou phases have been added to the official Saga list. Appea ing for the first time are Saga lavender mink, Saga pea mink and Saga natural black mink. The latter has bee under development in Scandinavia for some time an is expected to attract great interest in fashion circle because it is the darkest farm mink in the world.

The first auctions in Stockholm for the 1960-6 season were held December 13-17, when grey an blue mink, standard and pastel were offered for sal Following the January 22-30 sale, auctions from Marc 22-27 and May 5-8 are scheduled—Stockholm.

Iron Ore

JAPAN—A seven-year contract for the import of iro ore from Kennedy Lake on Vancouver Island has bee announced by Japan's major steel manufacturers; the expect to import 700,000 tons a year, beginning i 1962. It has also been reported that two major Japa nese steel companies—Yawata Steel and Fuji Steel— are negotiating long-term contracts for the import o iron ore from Peru—Tokyo.

Iron and Steel

JAPAN—Iron and steel production reached an all-tim high in all sections last year. The Japan Iron and Stee Federation says the increase was 30 per cent over th previous year. Steel production totalled 22.1 millio tons, a 33.2 per cent increase over 1959, and pig iro output totalled 11.9 million tons, a 25.9 per cen increase. Production of ordinary rolled steel reache 15.3 million tons and special steel 1.16 million—thes were increases of 32.7 and 40.6 per cent over th previous year—Tokyo.

Mohair

SOUTH AFRICA—The Union of South Africa ex ported 8,474,000 lb. of mohair valued at £3,986,00 during 1959. Fifty per cent of this went to the Unite Kingdom and forty per cent to Italy, Japan, France the Netherlands and Belgium. Nearly all the mohai is sold by public auction at Port Elizabeth, although small percentage is sold in London and in Durban Average prices in pence per pound for "kids" an "mohair" for summer 1959 were 185 and 100 respec tively; for summer 1960, 184 and 89; for 1960 youn summer mohair, 126—Cape Town.

Peanuts

BRAZIL—The 1960 peanut crop in São Paulo is esti mated at 20 million bags. With the rapid expansion i roduction, Brazil may soon be in a position to export eanut oil as well as peanuts—São Paulo.

NDIA—The Indian Government has decided to re-ase a further quota of 20,000 tons of HPS (hand cked selected) peanuts for export in 1961, as well a quota of 20,000 tons of peanut expeller cake uring the first half of the year. Shippers will be per-itted to export on production of firm sales contracts. he first 20,000-ton peanut export quota for 1961, sued in December 1960, was quickly taken up—ombay.

hoes

HANA—A factory to produce rubber-soled canvas hoes was opened in Accra in January. The project epresents an investment of £100,000 by Lebanese nd Ghanaian businessmen; they expect shortly to nploy 100 workers and produce 5,000 pairs of shoes day. Locally-grown rubber will be used whenever ossible. The owners intend to expand production by aking other moulded rubber products, such as sandals nd rubber soles for leather shoes—Accra.

tarter Bulbs

RAZIL—Sylvania Produtos Eléctricos Ltda. of São aulo is to import machinery and equipment for the anufacture of starter bulbs for fluorescent lighting. emand for these bulbs in factories, offices and shops increasing by 20 per cent each year. The firm will roduce initially 80 to 90,000 bulbs per month, at an nnual saving of approximately U.S.$120,000 in for-ign exchange—São Paulo.

teel

HE NETHERLANDS—Hoogovens and its affiliate reedband will invest some 300 million guilders over ne next three years in expanding plant capacity. A arge part of the funds will come from internal sources nd no attempt will be made to raise new capital at ne present time.

The expansion program includes construction of a ew block rolling mill and facilities for making semi-nished products for new rolling mills. Annual crude-teel output is expected to rise from 1.4 to 1.9 million netric tons by mid-1962. Annual capacity at the end f three years should reach 3 million tons, although ctual production is not expected to rise above 2.45 nillion by that date—The Hague.

PAIN—In recent years the iron and steel industries n Spain have made great strides because of rapid xpansion of the state-owned ENSIDESA steel mills vhich during 1960 exported the major part of their roduction. Iron ingot production in 1960 reached .86 million tons, 12.4 per cent more than in 1959. teel production, however, increased only 2.9 per cent o 1.87 million tons because much of the iron ingot was exported, mainly to Japan (250,000 tons) and the United Kingdom (130,000 tons). Production of rolled steel rose by 12.8 per cent to 1,377,000 tons. In other sectors production decreased because of smaller demand for steel sections for hydro-electric projects, for rail equipment and for rod in the wire-making industry. This is probably a temporary situation—Madrid.

WEST GERMANY—German steel producers set a new record in 1960. Output reached 34.1 million metric tons—up 4.7 million tons from 1959. This 15.8 per cent increase is the largest since the war. Pig iron production rose even more sharply—from 21.6 million tons the previous year to 25.7 million, or 19 per cent. The steel increase is attributed to the expansion and modernization of smelting facilities, the more widespread use of oxygen which speeds the smelting process, and the fact that the number of production days rose from 313 in 1959 to 331 in 1960—Bonn.

Teak, Bamboo

INDIA—The Government of Bihar proposes to plant 10,000 acres in teak and 15,000 acres in bamboo during the Third Five-Year Plan as part of its forest development program, it is reported. On the basis of the land-use survey being conducted in north Bihar, possibilities of increasing bamboo plantations are being exploited so that bamboo can become one of the raw materials for the paper mills to be set up in the region —Bombay.

Urea

TAIWAN—The Socony Mobile Oil Company of the United States in conjunction with the Chinese Petroleum Corporation, a government entity, has decided to construct a urea plant in Taiwan. The investment application for the plant has been approved by the Government and construction is expected to start in July. Anticipated annual production capacity is 100,000 tons. Capitalization will run between $15-$20 million, with the Socony Mobile Oil Company Inc. expected to contribute the largest share. Natural gas produced by Chinese Petroleum Corporation oil wells will be used as the raw material. Present natural gas production, at 280,000 cubic meters a year, falls short of the anticipated requirements for the new plant but new wells are expected to be drilled shortly—Manila.

Washing Machines

IRELAND—A consignment of 500 washing machines made by FAM Distributors Eire, Wicklow, left Dublin recently for the Austrian market. This is the second lot of 500 machines dispatched out of a total order of 4,000. To date this factory has produced about 50,000 washing machines; they have been exported mainly to Northern Ireland, the United Kingdom, and India—Dublin.

The United Kingdom Aluminum Industry

- United States is acquiring larger interest in British aluminum fabricating industry.
- Canadian company strengthening its position there.
- British demand expected to increase; Canadian ingot sales to continue good.

S. G. HARRIS, *Assistant Commercial Secretary, London.*

ALUMINUM was sometimes in short supply during the war and postwar years and the United Kingdom depended almost entirely on Canadian ingot. Then, as now, only a small quantity (about 30,000 tons a year) was produced in the United Kingdom. In 1955 Canadian shipments to the U.K. reached 238,000 long tons, out of total imports of 258,000; in 1956 the figure was 205,000 out of 232,000 tons. In 1957 this pattern began to change as aluminum moved into a surplus position and large quantities of foreign metal were offered in the British market. That year the U.K.'s imports from Canada dropped to 152,000 long tons out of total imports of 191,000. In 1958 they were 146,000 out of 210,000 and 1959, 145,000 out of 250,000. The remainder came mainly from Norway, the U.S.S.R., and the United States, with the U.S. shipments achieving by far the greatest growth.

One of the first visible signs of United States interest in the U.K. aluminum industry came in September 1957, when it was announced that Reynolds Metals, the second largest producer in the United States, had acquired a half-interest in the aluminum division of Tube Investments Limited. Previously the U.S. aluminum industry had concentrated almost exclusively on producing aluminum ingot and fabricated products for the domestic market.

Enter U.S. Producers

Last year witnessed a surge of activity on the part of the U.S. producers in the U.K. aluminum industry, when they acquired interests in established British companies producing fabricated aluminum for the domestic and export markets. The biggest event was the acquisition by Reynolds/T.I. Aluminium early in the year of all the assets of the British Aluminium Company. British Aluminium represented about one-third of the U.K. aluminum fabricating industry and
had important overseas interes
including the major interest in Br
ish Aluminium in Canada, a co
pany formed to provide Briti
Aluminium with its own producti
of Canadian ingot. Reynolds/T
won this important unit in a tak
over battle with Alcoa, the large
U.S. producer. It was not long, ho
ever, before Alcoa acquired a foo
hold in the U.K. In June 1959
teamed up with Imperial Chemic
Industries to form Imperial Alum
nium Limited, which took over t
ICI aluminum fabricating faciliti
in the United Kingdom.

About the end of the year t
third largest U.S. producer, Kais
Aluminum and Chemicals Corpor
tion, came on the U.K. scene wi
the acquisition of a 50 per ce
interest in James Booth Aluminiu
Meanwhile Reynolds/T.I. had
September 1959 acquired the al
minum foil division of Venest
Limited, which represented abo
40 per cent of U.K. aluminum fo
output. In May 1960 an extensio
of Alcoa's interest in the U.K. w
announced in the acquisition
Imperial of the Almin group, repr
senting about one-third of the U.
secondary aluminum industry a
other facilities.

Trade Figures Reflect Change

With so much aluminum ing
capacity still surplus in the U.S.,
is not surprising to see this ne
U.S. stake in the British aluminu
industry reflected in the tra
figures. The accompanying tab
compares U.K. aluminum impo
during the first nine months
1960 with imports during the sa
period of 1959. Note that althou
total imports have risen by 39 p
cent, Canada's supplies have i
creased only 14 per cent. T
United States, which now suppli
approximately one-third of the i
ports, has made the largest gain.

Alcan's Position

Aluminium Limited of Canada a
ready had a strong position in t
U.K. because its largest fabricati

it, Alcan Industries Limited ormerly known as Northern Alu- nium Company Limited) repre- nted about one-third of the U.K. bricating industry. Northern's ur-year plans for a major expan- n were announced early in 1958 d in October 1960 the carrying t of these plans reached the half- y stage with the opening of Alcan dustries' new aluminum rolling ll. The biggest in Europe, this 4-inch mill will produce much der plate than was previously ailable. It will be of major im- rtance because of the growing mand for wide aluminum sheet d plate for shipbuilding, railway, emical, petroleum and other en- neering industries.

IMPORTS OF ALUMINUM AND ALUMINUM ALLOYS

	1959 Jan.-Sept.		1960 Jan.-Sept.	
	Quantity m.cwt.	Value £ million	Quantity m.cwt.	Value £ million
Total	3.6	33.3	5.0	47.8
Canada	2.1	19.0	2.4	22.8
Norway	.5	4.1	.5	4.8
United States	.6	5.1	1.7	16.1

Source: *U.K. Trade and Navigation Accounts.*

In the U.K., Alcan's sales of ingot d chemicals are handled by a fully vned subsidiary, Alcan (U.K.) mited, whose sales position has en strengthened recently through 50 per cent participation in can Enfield Alloys Limited. This mpany, jointly owned with En- ld Rolling Mills Limited, took er the Enfield secondary alumi- m refinery. Alcan Enfield's capac- is also being expanded through a ng-term lease on the alloy capacity John Dale Limited. This second- y aluminum capacity, together th supplies of Alcan's Canadian imary alloys, should become very portant as the use of aluminum stings increases, especially in the tomobile industry.

There now remain only a few bricators of aluminum in the U.K. ho are not financially associated th U.S. or Canadian producers and together they represent only a small proportion of the fabricating industry in Britain. Of the four giants in the business, British Aluminium Company has its Canadian source of supply of ingot at its new plant at Baie Comeau, Quebec. It will no doubt continue to obtain most of its imported metal from this plant unless a better market for the Baie Comeau metal develops elsewhere. Alcan Industries Limited will no doubt depend on Canada for the bulk of its ingot supplies, with the remainder coming from associated Norwegian resources. The other two major U.K. fabricators, Imperial and James Booth, will presumably get most of their ingot from their U.S. affiliates. However, the United States will not necessarily continue to have large supplies of ingot for export.

Sales Prospects

The current U.S. surplus is largely due to a domestic demand which has for the last two or three years been below expectations. Through 1959 and 1960, however, European demand, including British, has increased by about one-third. Even so, it is only about half the U.S. consumption of aluminum per capita. The ready availability of aluminum and the continuing development of new uses are leading to greater sales; there is every confidence that European demand will continue to increase at a high rate and that U.S. demand will again rise. The prospects for Canadian sales in the U.K. during the next decade look good. ●

Chicago Buys Canadian Fish

CANADA supplied nearly 20 per cent of the 87 million pounds of fresh and frozen fish and shellfish (1959=92 million pounds) that passed through the Chicago wholesale fish market in 1960. Fresh-water fish accounted for 37 million pounds (1959=39 million), salt-water fish for more than 25 million (1959=26 million), and shellfish for 25 million (1959=27 million).

The major fresh-water species again was whitefish, both iced and frozen. Chicago, the leading wholesale distributing market for whitefish in the United States, received 8 million pounds of it, only slightly less than in 1959, and nearly 7 million came from Canada. Great Slave Lake was the source of more than half of this; the remainder came principally from Northern Alberta, Saskatchewan and Manitoba. Market prices for Great Lakes whitefish were strong for most of 1960, with prices of the Canadian supplies equal to or slightly higher than in 1959. In late December and early January 1961, however, supplies of Canadian whitefish were greater than demand and prices fell below normal levels.

Receipts of lake trout, another higher priced and important fresh water species from both Canadian and U.S. sources, continued to decline and amounted to only 1.6 million pounds (including fillets) both fresh iced and frozen. About two-thirds of this is of Canadian origin, mostly from Alberta and Manitoba. Due to the scarcity, wholesale prices throughout the year were high. Prices for Canadian lake trout at various times nearly equalled those for the U.S. fish.

In 1960 British Columbia supplied 3.4 million pounds of halibut, salmon, sable and other species to the Chicago market—a substantial increase from the 2.6 million pounds shipped in 1959. Shipments of salt-water fish, including cod fillets from the Maritime Provinces, decreased to 1.3 million pounds from 2 million in 1959. Quebec and Ontario together supplied 1.6 million pounds, principally fresh-water frozen fillets.

The traditional pattern of movement of fish by rail continues from British Columbia and the Maritimes. From the other provinces, transportation by truck is replacing other types of carriers, largely because of convenient pick-up and delivery, ease of handling at both ends, and the chance to ship smaller quantities.

—H. J. HORNE,
Consul and Trade Commissioner,
Chicago.

Transportation Notes

Belgium

PASSENGER VESSELS SOLD—Due to a considerable falling off in sea travel between Belgium and the Congo, the Compagnie Maritime Belge has sold two of its vessels, the *Jadotville* and the *Baudouinville*. The 14,000-ton, 300-passenger vessels were purchased by the Peninsular and Oriental Steam Navigation Company at a reported price of just over $4 million. They will go into the Far East service.

CMB will continue its passenger service to Matadi and Lobito on a regular but less frequent schedule; it will increase its cargo services between Antwerp and the Congo to make up for the freight facilities lost through sale of the passenger vessels—Brussels.

Brazil

FIRST VESSEL LAUNCHED—The first vessel to be constructed in Brazil under the plans outlined by the governmental executive group of the shipbuilding industry was launched early in November. The vessel, a cargo ship of 1,550 tons deadweight, was constructed by Estaleiros Lahmeyer of Niteroi, state of Rio de Janeiro—Rio de Janeiro.

Canada

SERVICE TO ICELAND—The Fjell & Fjord Lines have announced that a direct shipping service, subject to cargo inducement, will be established from Montreal and the Great Lakes to Reykjavik, Iceland, with the opening of navigation on the St. Lawrence and the Great Lakes.

The Fjell & Fjord Lines schedule a freight and passenger service with weekly sailings to Oslo, Copenhagen, Stavanger and Bergen. Ships assigned to this route can offer deep freeze refrigeration and ventilated space, in addition to the regular cargo accommodation. It is intended that the sailings to Reykjavik will be on a monthly basis. Shippers will be interested in knowing that the freight rates will be the same as applied to Norwegian ports.

Agents in Canada for the new service are Canadian Overseas Shipping Limited, 410 St. Nicholas Street, Montreal, and Great Lakes Overseas (Canada) Limited in Toronto and Hamilton.

Ghana

GOVERNMENT LINE ENLARGED—The Gha Government's Black Star Shipping Line has order eight cargo ships from De Schelde of Holland at estimated cost of £9 million. This brings to 12 t number of vessels in the Black Star Line fleet. It understood the new ships will be of 6,860 deadweig tons, capable of doing 15 knots and carrying 12 pa sengers—Accra.

Greenland

GREENLAND FLYING CORPORATION—Sca dinavian Air Services and Kryolitselskabet Øresu A/S (cryolite company) on November 10, 196 founded the Grønlandsfly A/S (Greenland Flyi Company Ltd.) for operating flights in Greenlan Share capital is 500,000 kr., distributed equally b tween the two founders.

The new company has concluded agreements wi the American Federal Electric Corporation over supp services for warning stations in Greenland. Fligh operated by charter plane, including two Sikorski he copters of the Canadian Kenting Helicopters Ltd. a one DC-4 Icelandair, commenced December 15.

The agreements allow for inclusion of the Greenla Department of Trade on equal terms with the tw founders. In the near future, negotiations will op with civil aviation and Greenland authorities on t coastal services started last year by the Greenla Department of Trade.

The planes operated by the Canadian Eastern Pr vincial Airways may later be included in the machi park of the Grønlandsfly Company when the curre agreement between Eastern Provincial Airways and t Greenland authorities expires—Copenhagen.

India

BOMBAY PORT IMPROVEMENTS—The Bomba Port Trust will spend Rs.83.5 million, including Rs.1 million in foreign exchange, during the Third Fi Year Plan (1961-66) on a scheme to increase t cargo-handling potential of the port. The scheme i cludes construction of a communication passa between Victoria and Alexandra docks, six deep-wat rths along this passage, and roads, railway sidings d transit sheds on land to be reclaimed on the eastern e of Victoria docks. Dredging of the main harbour annel is also proposed, together with the tanker and plosive anchorages, involving the removal and dissal at sea of 7.5 million cubic yards of silt and clay. port and export tonnage handled by the port rose m 6,887 tons in 1950-51 to an all-time record of ,146 tons in 1959-60—Bombay.

ly

ASSENGER VESSELS—Construction of four new ssenger vessels with a total of 125,000 tons gross has en put in hand. Two of these, each of 40,000 tons, fast service to North America, are being built for Italia line—one in the San Marco shipyards, ieste, the other in the Ansaldo shipyards at Genoa stri. They will be ready in three years' time and ir speed—approximately 27 knots—will shorten by e day the voyage from Italy to North America.

The other two liners are turbine vessels of 22,500 ns each and are being constructed for the Lloyd iestino Line at the Monfalcone shipyards of the ntieri Riuniti dell'Adriatico for fast service to Auslia. These two vessels will have a length of 700 feet d width of 94 feet. They will carry 1,750 passengers 156 first class and 1,594 tourist. Loading capacity l be 6,200 cubic metres. The engines for these ps are the most recent high-pressure and highnperature steam type, manufactured by the firm Andrea with B.W. boilers and De Laval turbines. ey will be air-conditioned and supplied with staizers and double radar systems—Rome.

maica

EW CANADA-JAMAICA LINE—A new refrigated shipping service has been established between wfoundland and Jamaica by Blue Peter Steamships d., Job's Cove, Water Street, St. John's, Newfoundnd, (managing director, F. W. Russell). A regular efer service will be operated every month if enough rgo is offered, and the Newfoundland Government s undertaken to subsidize the new line's operating penses. The Jamaican agent is D. Andrews, c/o udley Ho Sang Co., 71 Orange Street, Kingston. A gular stop is also planned at Gloucester, near Boston, t the ship will call at any port offering enough rgo—Kingston.

e Netherlands

ORT OF AMSTERDAM—A five-kilometre-long nveyor belt was officially installed on September 28 the site of the Amsterdam Transhipment Company the port of Amsterdam. The company claims the stallation makes it the most progressive in the field bulk goods handling in Europe. There are at the oment 24 round grain-storage elevators, with a diameter of 36.5 feet and a height of 120 feet, under construction in the port of Amsterdam; each has a capacity of more than 2,200 tons. Alongside the elevator a 375-metre jetty is to be constructed, capable of berthing ships up to 100,000 tons—The Hague.

New Zealand

SHIPPING MEATS—The New Zealand Meat Producers Board has arranged a new shipping service with a 10 per cent reduction on freight rates on meat between New Zealand and Honolulu and the west coast of North America. The new shipping company intends to provide a monthly service, but so far no plans for back loading have been settled. Two fully refrigerated ships, each with a refrigerated capacity of 20,000 cubic feet, are prepared to call at any New Zealand port offering suitable cargoes—Wellington.

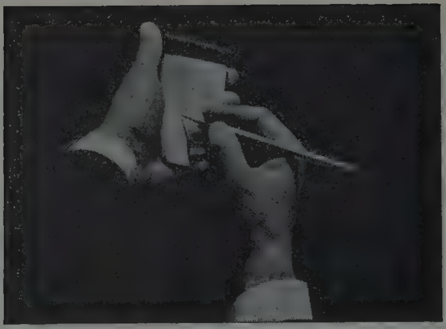
Peru

DUTCH SHIPS FOR PERU—The Verolme United Shipyards of Rotterdam has signed a contract with the Peruvian Government providing for the expansion of the Peruvian Navy shipyards at Callao near Lima, the construction of a new shipyard at Chimbote about 300 miles north of Lima, and the building of six vessels of 13,700 tons deadweight each for the Corporacion Peruana de Vapores, a government-owned shipping company. The prototype of this series is to be built at the Verolme Yards in Rotterdam, and the other five vessels in Peru.

A company has been organized to operate the Navy shipyards at Callao, with Verolme and the Peruvian Navy holding equal shares. If this company should increase its capital in the future, the Government's participation will be by law not less than 25 per cent of the total capital. The Peruvian Navy is also authorized to hold a 33 per cent interest in the Verolme yards at Chimbote. Both shipping yards will be designed to build vessels of up to 25-30,000 tons, but none of less than 1,000 tons. This provision was made to protect the numerous small shipyards in Peru building fishing vessels—Lima.

Switzerland

SWITZERLAND'S MARITIME FLEET—As of June 30, 1960, there were 27 vessels with a record 221,631 deadweight metric tons sailing under the Swiss flag. The fleet accounts for 1.3 per cent of the total world tonnage and ranks Switzerland, a landlocked country, 39th among 74 maritime nations. This is considered adequate for current needs considering that in an emergency a fleet of 350,000 deadweight metric tons would be required to ensure continuity of supplies to the country, and that in principle the total tonnage must be no less than 175,000 deadweight metric tons—Berne.



General Notes

Denmark

TRADE RELATIONS WITH BELGIUM—The Dano-Belgian Chamber of Commerce held its first meeting at Brussels last month. M. B. Kehler, chairman, said the intention of the new organization was to expand trade relations between Denmark and Belgium in order to contribute towards bridging the gap between the two market groups in Europe—Copenhagen.

Ghana

NEW OIL REFINERY—Negotiations were recently concluded in Accra, Ghana, between ENI-AGIP, the Italian state-controlled oil corporation, and the Government of Ghana, on construction of an £G8.5 million oil refinery at Tema. The refinery will have an initial capacity of 1.2 million metric tons a year, capable of expansion to 2 million. About 500 people will be permanently employed—Accra.

Mexico

POPULATION—Preliminary data from the national census conducted in June 1960 shows the country's population as 34,625,903, an increase of 34.3 per cent over the census of 1950. The rate of increase over this ten-year period was 3.4 per cent, one of the highest in the world. Urban population growth rates far exceeded the rural increases and in some cases reached phenomenal levels of 170 per cent. The general mortality rate has declined from 16 to 12 per 1,000 inhabitants and life expectancy has risen from 55 years in 1950 to 62 years—Mexico, D.A.

Netherlands

FIVE-KILOMETRE BRIDGE—A project is being worked out by provincial authorities of Zeeland for construction of a five-kilometre-long bridge across the Eastern Schelde River, linking North Beveland and Schouwen-Duiveland Islands. Costs are estimated at 100 million guilders. The bridge, to be built on more than 100 piers, could be ready by 1964—The Hague.

New Zealand

PRODUCTION—A preliminary estimate of value of production in New Zealand for 1959-60 is £704 million, an increase of £62.6 million, or 10 per ce over the revised 1958-59 figure of £641.4 millio This is the greatest increase in several years, states t Government Statistician. Main part of the increa came from the farming (including processing of pro ucts) group (£326.2 to £367.0 million, or 13 p cent), arising from increases in both production a price of wool, and the season's higher prices for dai products. Increases were also recorded in the facto group—£201.6 to £214.0 million, or 6 per cent; "other primary"—£46 to £49 million, or 7 per ce and in "building and miscellaneous"—£67.6 to £74 million, or 9 per cent.

Volume of production is now just twice that 1938-39. An increase of 38 per cent in volume production per head of population during the sa period is also indicated; increase per head from 195 59 to 1959-60 is estimated at 4 per cent—Wellingto

Republic of Ireland

MOTEL TO BE BUILT—A £250,000 motel is to erected close to Dublin airport. It will be a two-store glass-fronted building located on eight acres, wi accommodation for about 400 guests. As far as po sible Irish material will be used in building it—Dubli

Spain

FOREIGN INVESTMENT—In an effort to attra more foreign capital to Spain, the Government a nounced in December 1959 new laws governing foreig investment. During the next 12 months the Spanis Government received some 68 applications for capit investment from abroad. As of December 1, 1960, 5 applications involving nearly $29 million had bee approved. Thirty-nine of these, totalling $26.5 millio have been classified as of "preferential interest". all of the applications are eventually approved, the su involved could approach $175 million.

The lion's share of the approved applications cam from the United States and represented more than 5 per cent of the foreign capital investment. Frenc applications were next (about 11 per cent of the tot m), followed by Swiss (about 9 per cent). Canadian pplications totalled under $900,000, or about 3 per nt.

More than 60 per cent of the capital investments pproved will be in the petroleum, petrochemical and emical industries. About 30 per cent will be spent paper, electrical and light industries, and on the achinery and construction fields. Most of the remaing money is designated for the cement, steel, textile d foodstuffs industries and for agriculture and transortation—Madrid.

FRICAN SWINE PEST—In spite of intensive sanity measures and wide-scale slaughter undertaken by e Ministry of Agriculture during 1960, African swine est has once more appeared in some of the Spanish ovinces. This disease is a serious threat to an imporant sector of Spain's livestock industry. One million ogs are used for reproduction; the annual census puts e hog population at seven or eight million. Almost e-half of the meat consumed in Spain is pork (some 250,000 tons), of which one-fifth is fresh pork and the rest various types of sausage meat. Pig farming brings in approximately 10,000 million pesetas a year and it is imperative that the disease be stamped out without delay.

So serious is the havoc wrought by swine pest in Europe that it has been recommended that the FAO hold an international meeting of interested member countries to decide what collective measures should be taken to overcome it—Madrid.

Venezuela

LOAN FOR ELECTRICAL EQUIPMENT—The Venezuelan company Electricidad de Caracas C.A. has obtained a loan of Bs.29 million (or almost $18 million) at 5¾ per cent interest from the Export-Import Bank. The loan is to be used before March 31, 1964, and will be repaid in 24 semi-annual instalments, the first payment due May 20, 1964. Approximately $9 million has been used to purchase electrical equipment from the United States—Caracas.

Foreign Tariffs and Trade Regulations

DOUANES
DOUANES
DOUANES

ominican Republic

MPORT LICENSING EXTENDED—The Trade ommissioner in Ciudad Trujillo reports that the ominican Republic's Co-ordinating Board for Imports nd Exports published a notice on January 23, 1961, equiring all importers from that date to submit statiscal form CE No. 31 to the Board and to include on the name of the country from which the import is eing shipped and the country of origin of the goods. pproval of this form is required before the importer laces a firm order abroad. Each such approved form ill bear a number assigned to it by the Board.

urope

FTA ACCELERATES TARIFF REDUCTION—he European Free Trade Association has decided to ring forward to July 1, 1961, the tariff cut between embers which was scheduled to take place on Januy 1, 1962.

With the introduction of this measure, the total FTA internal tariff reductions will amount to 30 per ent, as of July 1, 1961.

It has not yet been decided whether subsequent tariff reductions will be accelerated.

United Arab Republic (Syrian Region)

EXCHANGE CONTROL REGULATIONS ANNOUNCED—The Government of the Syrian Region, United Arab Republic, issued on February 4, 1961, a decree organizing the monetary and financial transactions and transfers to and from the Syrian Region. Up to this time, Syria has had a relatively free economy. The repeated failure of agricultural production in the last three years because of drought indicated that some form of organization might be necessary to maintain the economy.

According to the decree, no transactions or dealings in foreign currency notes, travellers cheques, or monetary transfers to or from Syria will be permitted except through authorized banks under regulations issued by the Minister of Economy. Non-residents or their agents may not deal in the currency of Syria except through authorized banks and organizations under regulations set out by ministerial order. The import and export of Syrian currency notes, foreign currency notes, travellers cheques, financial securities or coupons of dividends is allowed only in accordance with the regulations. Non-residents entering the Syrian Region may bring in, in any manner, any amounts of foreign currency as well as take out the amounts in the same manner as brought in.

Every resident must offer for sale within one month of date of notification all foreign currency balances in his possession and any income due from abroad. Effective from the date of the decree, no person is allowed to dispose of foreign currency balances without the approval of the Minister of Economy. Incomes and other accounts in foreign currency which are not connected with activities in the territory or with the foreign trade of Syria are exempt from this regulation.

Persons exporting goods from the Syrian Region must deposit the value of such goods within three months from the date of shipment. Exceptions may be authorized for certain exports to any country, as well as to countries for which special decisions are issued.

Sums payable to non-residents in the territory and to whom the countervalue may not be remitted will be settled by credits opened in authorized banks. These credits are to be frozen and will be at the disposal of the Minister of Economy. All authorized dealers in foreign exchange must now submit details of all transactions.

In announcing the decree, the Government stated that the measure was designed to promote the prosperity of the people and to ensure economic security and stability. The organization of foreign currency transactions was a means towards the achievement of a greater goal. Foreign funds were essential for the country's international economic relations, and for the import of capital goods. They were also necessary to maintain the stability of prices for consumers and to achieve economic and social objectives aimed at improving living standards.

United Kingdom

PORK IMPORTS—The Board of Trade announced on February 14 that the quota of 25,000 tons which was established last year for imports of pork from the dollar area will be repeated for the current year. Licences will cover, "Pork, chilled, fresh or frozen, falling under heading 02.01(A) of the United Kingdom Customs Tariff", and will be valid until December 31, 1961.

CIGARS FROM DOLLAR AREA—The United Kingdom announced on January 23 that applications for the import of cigars from the dollar area (other than Cuba which is on a special quota) are being accepted and that licences to the extent of £30,000 ($84,000) will be issued for 1961. This is double the 1960 quota. For the purpose of the regulation, th dollar area is designated as comprising Bolivia, Canad Colombia, Costa Rica, Dominican Republic, Ecuado El Salvador, Guatemala, Haiti, Honduras, Liberi Mexico, Nicaragua, Panama, Philippines, the Unite States and Venezuela.

Note to Importers No. 965 concerning the new quot also mentions that applications will be considered fro U.K. importers who have not previously held licenc to import cigars. In such cases, the request must b accompanied by a letter setting out the applicant interest in the trade, the grounds on which his sha in the quota is claimed, the proposed source, and a indication of the probable c.i.f. value of imports antic pated during 1961—London.

United States

QUOTA ON LOW-TARIFF GROUNDFISH FIL LETS FOR 1960—The United States Bureau Customs has announced that for the year 1961 th import quantity of fresh or frozen fillets of cod, had dock, hake, pollock, cusk and rosefish to be grante the reduced rate of duty of 1⅞¢ a pound under Tari Paragraph 717(b) has been set at 32,600,645 lb. Las year the low-rate quota was 36,533,173 lb.

Tariff Paragraph 717(b) provides that the aggregat quantity entitled to the 1⅞¢ a pound reduced rate sha be not more than 15 per cent of the average annu consumption of such fish during the three precedin calendar years. All imports above the quota are sub ject to the higher rate of 2½¢ a pound.

Of the total quantity of fish (32,600,645 lb.) en titled to entry at the rate of 1⅞ cents a pound durin the calendar year 1961, not more than one-fourth sha be so entitled during the first three months, not mor than one-half during the first six months, and not mor than three-fourths during the first nine months the year.

Venezuela

MEAT PRODUCTS MADE SUBJECT TO IMPORT LICENSING—By a resolution dated January 17, 1961 the Venezuelan Government imposed import licensin on a number of meat preparations. Those product affected by the new resolution are:

Bologna and salami sausage, large sausage, and hot dog typ sausage, not in air-tight containers

Vienna and frankfurter sausages in air-tight containers

Bacon in air-tight containers

Corned beef in air-tight containers

Devilled ham and meat in air-tight containers

This resolution came into force as of January 21 bu licensing will not be compulsory for goods having con sular invoices dated on or before January 17—Caracas eographical Listing for Exporters

Need Information on Foreign Markets?

ou can get it from the Trade Commissioner posts around the world, or from the International Trade elations Branch in Ottawa. This breakdown tells you which TC post and which ITR Division is sponsible for the country in which you are interested.

ountry covered by	TC Post and	ITR Division
len	Cairo	Commonwealth
ghanistan	Karachi	Asia and Middle East
aska	Vancouver	United States
geria	Paris	Europe
ngola (Portuguese West Africa)	Leopoldville	Europe
rgentina	Buenos Aires	Latin America
ruba	(see Netherlands Antilles)	(see Netherlands Antilles)
ustralia	Sydney, Melbourne and Canberra	Commonwealth
ustria	Vienna	Europe
zores	Lisbon	Europe
hamas	Kingston	Commonwealth
hrain	Beirut	Asia and Middle East
learic Islands	Madrid	Europe
rbados	Port-of-Spain	Commonwealth
sutoland	Johannesburg	Commonwealth
chuanaland	Johannesburg	Commonwealth
lgium	Brussels	Europe
rmuda	New York	Commonwealth
utan	New Delhi	Asia and Middle East
livia	Lima	Latin America
naire	(see Netherlands Antilles)	(see Netherlands Antilles)
rneo (North)	Singapore	Commonwealth
azil	Rio de Janeiro and Sao Paulo	Latin America
itish Guiana	Port-of-Spain	Commonwealth
itish Honduras	Kingston	Commonwealth
itish Solomon Islands	Sydney	Commonwealth
itish West Indies	Kingston and Port-of-Spain	Commonwealth
unei	Singapore	Commonwealth
urma	Singapore	Asia and Middle East

Country covered by	TC Post and	ITR Division
Bulgaria	Vienna	Europe
Cambodia	Hong Kong	Asia and Middle East
Cameroon Republic	Paris	Europe
Canary Islands	Madrid	Europe
Cape Verde Islands	Lisbon	Europe
Cayman Islands	Kingston	Commonwealth
Central African Republic	Leopoldville	Europe
Ceylon	Colombo	Commonwealth
Chad	Leopoldville	Europe
Chile	Santiago	Latin America
China, Communist	Hong Kong	Asia and Middle East
China, Republic of (Taiwan)	Manila	Asia and Middle East
Christmas Island (Indian Ocean)	Sydney	Commonwealth
Cocos-Keeling Islands	Sydney	Commonwealth
Colombia	Bogota	Latin America
Congo	Leopoldville	Europe
Congo (French Community)	Leopoldville	Europe
Cook Islands	Wellington	Commonwealth
Costa Rica	Guatemala City	Latin America
Cuba	Havana	Latin America
Curacao	(see Netherlands Antilles)	(see Netherlands Antilles)
Cyprus	Athens	Commonwealth
Czechoslovakia	Vienna	Europe
Dahomey	Paris	Europe
Denmark	Copenhagen	Europe
Dominican Republic	Ciudad Trujillo	Latin America
Ecuador	Bogota	Latin America
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America
England	London and Liverpool	Commonwealth

Country covered by	TC Post and	ITR Division
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	Leopoldville	Europe
Gambia	Accra	Commonwealth
Germany	Bonn and Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Goa	Bombay	Europe
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Paris	Europe
Haiti	Port au Prince	Latin America
Hawaii	San Francisco	United States
Honduras	Guatemala City	Latin America
Honduras (British)	Kingston	Commonwealth
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi and Bombay	Commonwealth
Indonesia	Djakarta	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Northern	Belfast	Commonwealth
Ireland, Republic of	Dublin	Commonwealth
Israel	Athens	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Paris	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East

Country covered by	TC Post and	ITR Divisi
Jordan	Beirut	Asia and Middle East
Kenya	Salisbury	Commonweal
Korea	Tokyo	Asia and Middle East
Kuwait	Beirut	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonweal
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxembourg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malaya, Federation of	Singapore	Commonwealt
Maldive Islands	Colombo	Commonwealt
Mali, Republic of	Paris	Europe
Malta	Rome	Commonwealt
Martinique	Port-of-Spain	Europe
Mauritania, Republic of	Paris	Europe
Mauritius	Johannesburg	Commonwealt
Mexico	Mexico City	Latin Americ
Monaco	Paris	Europe
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	(see Surinam)	(see Surinam)
New Caledonia	Sydney	Europe
New Guinea, North-east and Papua	Sydney	Commonwealt
New Hebrides	Sydney	Europe
New Zealand	Wellington	Commonwealt
Nicaragua	Guatemala City	Latin Americ
Niger, Republic of	Paris	Europe
Nigeria	Lagos	Commonwealt
Norway	Oslo	Europe

untry covered by	TC Post and	ITR Division
kistan	Karachi	Commonwealth
nama and Canal Zone	Guatemala City	Latin America
raguay	Montevideo	Latin America
rsian Gulf Area	Beirut	Asia and Middle East
u	Lima	Latin America
ilippines	Manila	Asia and Middle East
land	Copenhagen	Europe
rtugal	Lisbon	Europe
rtuguese East Africa	(see Mozambique)	(see Mozambique)
rtuguese Guinea	Lisbon	Europe
rtuguese West Africa	(see Angola)	(see Angola)
erto Rico	Ciudad Trujillo	United States
union	Johannesburg	Europe
odesia and Nyasaland, Federation of	Salisbury	Commonwealth
de Oro	(see Spanish Sahara)	(see Spanish Sahara)
Muni	Madrid	Europe
anda Urundi	Leopoldville	Europe
mania	Vienna	Europe
Helena	Cape Town	Commonwealth
Pierre and Miquelon	Paris	Europe
awak	Singapore	Commonwealth
udi Arabia (Red Sea and Aden)	Cairo	Asia and Middle East
tland	Glasgow	Commonwealth
egal, Republic of	Paris	Europe
chelles Islands	Salisbury	Commonwealth
rra Leone	Accra	Commonwealth
kim	New Delhi	Asia and Middle East
gapore	Singapore	Commonwealth
nalia	Cairo	Europe
uth Africa, Union of	Johannesburg and Cape Town	Commonwealth
uth West Africa	Cape Town	Commonwealth
ain	Madrid	Europe
anish Sahara	Madrid	Europe
dan	Cairo	Asia and Middle East
rinam (Netherlands Guiana)	Port-of-Spain	Europe
aziland	Johannesburg	Commonwealth
eden	Stockholm	Europe

Country covered by	TC Post and	ITR Division
Switzerland	Berne	Europe
Syria	(see United Arab Republic)	(see United Arab Republic)
Tahiti	Wellington	Europe
Taiwan	Manila	Asia and Middle East
Tanganyika	Salisbury	Commonwealth
Thailand	Singapore	Asia and Middle East
Tobago	Port-of-Spain	Commonwealth
Togoland	Paris	Europe
Tonga	Wellington	Commonwealth
Trieste	Rome	Europe
Trinidad	Port-of-Spain	Commonwealth
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Salisbury	Commonwealth
United Arab Republic		
Egyptian Region	Cairo	Asia and Middle East
Syrian Region	Beirut	
United Kingdom	London Liverpool Glasgow Belfast	Commonwealth
United States	Washington Boston Chicago Detroit Los Angeles New Orleans New York San Francisco Seattle	United States
Upper Volta, Republic of	Paris	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Ciudad Trujillo	United States
Wales	London	Commonwealth
Western Samoa	Wellington	Commonwealth
West Indies, The	Port-of-Spain and Kingston	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Cairo	Asia and Middle East
Yugoslavia	Vienna	Europe
Zanzibar	Salisbury	Commonwealth

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.013942.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 27	Units per Canadian dollar	Notes (See below
Argentina	Peso	Free	.01196	83.61	(
Austria	Schilling		.03788	26.40	
Australia	Pound		2.2057	.4534	
Bahamas	Pound		2.7571	.3627	
Belgium and Luxembourg	Franc		.01973	50.68	
Bermuda	Pound		2.7571	.3627	
Bolivia	Boliviano	Free	.00008632	11,584.80	
British Guiana	Dollar		.5744	1.74	
British Honduras	Dollar		.6894	1.45	
Brazil	Cruzeiro	General Category*	.004308	232.11	*Jan. 17 (
		Special Category	.001510	662.02	
		Official selling	.05214	19.18	(
Burma	Kyat		.2071	4.83	
Ceylon	Rupee		.2068	4.83	
Chile	Escudo	Free	.9375	1.06667	(
Colombia	Peso	Certificate	.1472	6.79	
Congo, Republic of	Franc		.01973	50.68	
Costa Rica	Colon	Official	.1756	5.69	
		Controlled free	.1484	6.74	
Cuba	Peso		.9863	1.01389	tax
Czechoslovakia	Koruna		.1370	7.30	
Denmark	Krone		.1426	7.01	
Dominican Republic	Peso		.9863	1.01389	
Ecuador	Sucre	Official	.06575	15.21	
		Free	.05767	17.34	
Egyptian Region, United Arab Rep.	Pound	Official	2.8321	.3531	
		Export account selling	....	....	
El Salvador	Colon		.3945	2.53	
Fiji	Pound		2.4839	.4026	
Finland	Markka		.003082	324.46	
France, Monaco, etc.	New Franc		.2013	4.97	(
Franco-African Republics, etc.	Franc		.004026	248.38	(
French Pacific	Franc		.01107	90.33	(
Germany	D Mark		.2365	4.23	
Ghana	Pound		2.7571	.3627	
Greece	Drachma		.03287	30.42	
Guatemala	Quetzal		.9863	1.01389	
Haiti	Gourde		.1973	5.07	
Honduras	Lempira		.4931	2.03	
Hong Kong	Dollar	Free*	.1724	5.80	*Feb.
		Official	.1723	5.80	
Iceland	Krona	Official	.02595	38.53	(
India	Rupee		.2068	4.83	
Indonesia	Rupiah	Official	.02191	45.63	(
Iran	Rial		.01302	76.81	
Iraq	Dinar		2.7615	.3621	
Ireland	Pound		2.7571	.3627	
Israel	Pound		.5479	1.82	
Italy	Lira		.001585	630.91	
Japan	Yen		.002740	364.96	

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*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Feb. 27	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3098	3.23	
Mexico	Peso		.07890	12.67	
Morocco	Dirham		.1973	5.07	
Netherlands	Florin		.2598	3.85	
Netherlands Antilles	Florin		.5235	1.91	
New Zealand	Pound		2.7571	.3627	
Nicaragua	Cordoba	Effective buying	.1494	6.69	
		Official selling	.1399	7.15	
Nigeria	Pound		2.7571	.3627	
Norway	Krone		.1377	7.26	
Pakistan	Rupee		.2068	4.83	
Panama	Balboa		.9863	1.01389	
Paraguay	Guarani	Official	.007796	128.27	
Peru	Sol		.03677	27.20	
Philippines	Peso	Free	.3288	3.04	
		Official	.4931	2.03	
Portugal & Colonies	Escudo		.03442	29.05	(9)
Singapore and Malaya	Straits Dollar		.3217	3.11	
Spain and Dependencies	Peseta		.01644	60.84	
Sweden	Krona		.1907	5.24	
Switzerland	Franc		.2275	4.39	
Syrian Region, United Arab Rep.	Pound	Free	.2755	3.63	
Thailand	Baht	Free	.04690	21.32	(8)
Tunisia	Dinar		2.3966	.4172	
Turkey	Lira		.1096	9.12	(8)
Union of South Africa	Pound		1.3786	.7254	(10)
United Kingdom	Pound		2.7571	.3627	
United States	Dollar		.98625	1.013942	
Uruguay	Peso	Free	.08942	11.18	(11)
Venezuela	Bolivar		.2941	3.40	(12)
West Indies Fed.	Dollar		.5744	1.74	(13)
	Pound		2.7571	.3627	(14)
Yugoslavia	Dinar	Official	.001315	760.45	(8)
		Settlement rate	.001560	640.81	

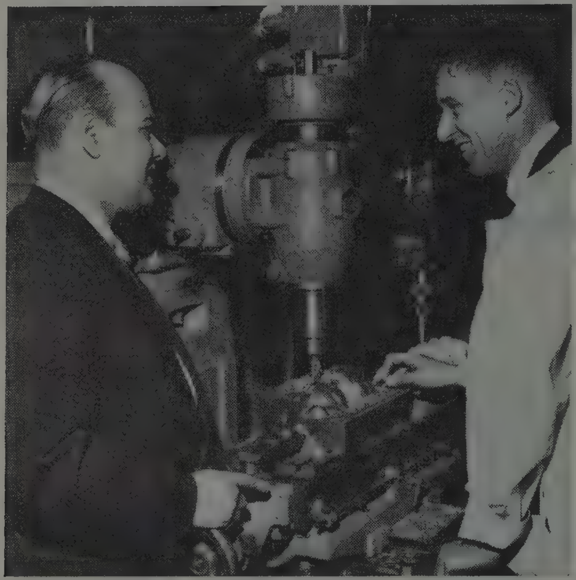
*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. On February 14, 1961, the Union of South Africa adopted a new unit of currency. The Rand is equal to 10 shillings and is subdivided into 100 cents.
11. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
12. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
13. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
14. Jamaica.

Trade and Commerce at Work

What are the duties of officers of the Department of Trade and Commerce? How do they assist Canadian businessmen? From time to time we plan, through pictures, to show these officials carrying out varied assignments.



J. R. Johnson (left), Commodity Officer, Engineering and Equipment Division, examines a Canadian hydraulic copying attachment on display at the American Society of Tool and Manufacturing Engineers' conference.

Hong Kong's largest lacquer and paint products manufacturer conducted D. J. McEachran (extreme right), Assistant Trade Commissioner, on a tour of his plant. They watch the operation of a horizontal paint rolling mill.

Unloading of Canada's contribution of 570,000 lb. of whole milk powder to UNICEF'S Philippine program was watched by R. M. Dawson (left), Vice Consul and Assistant T.C. in Manila, and UNICEF's P. B. Edwards.

The piled-up bags of Canadian malt and flour looming over him in a Ghana warehouse are a satisfying sight to K. F. Osmond, Commercial Secretary in Accra, whose job is to promote sales of Canadian products to Ghana.

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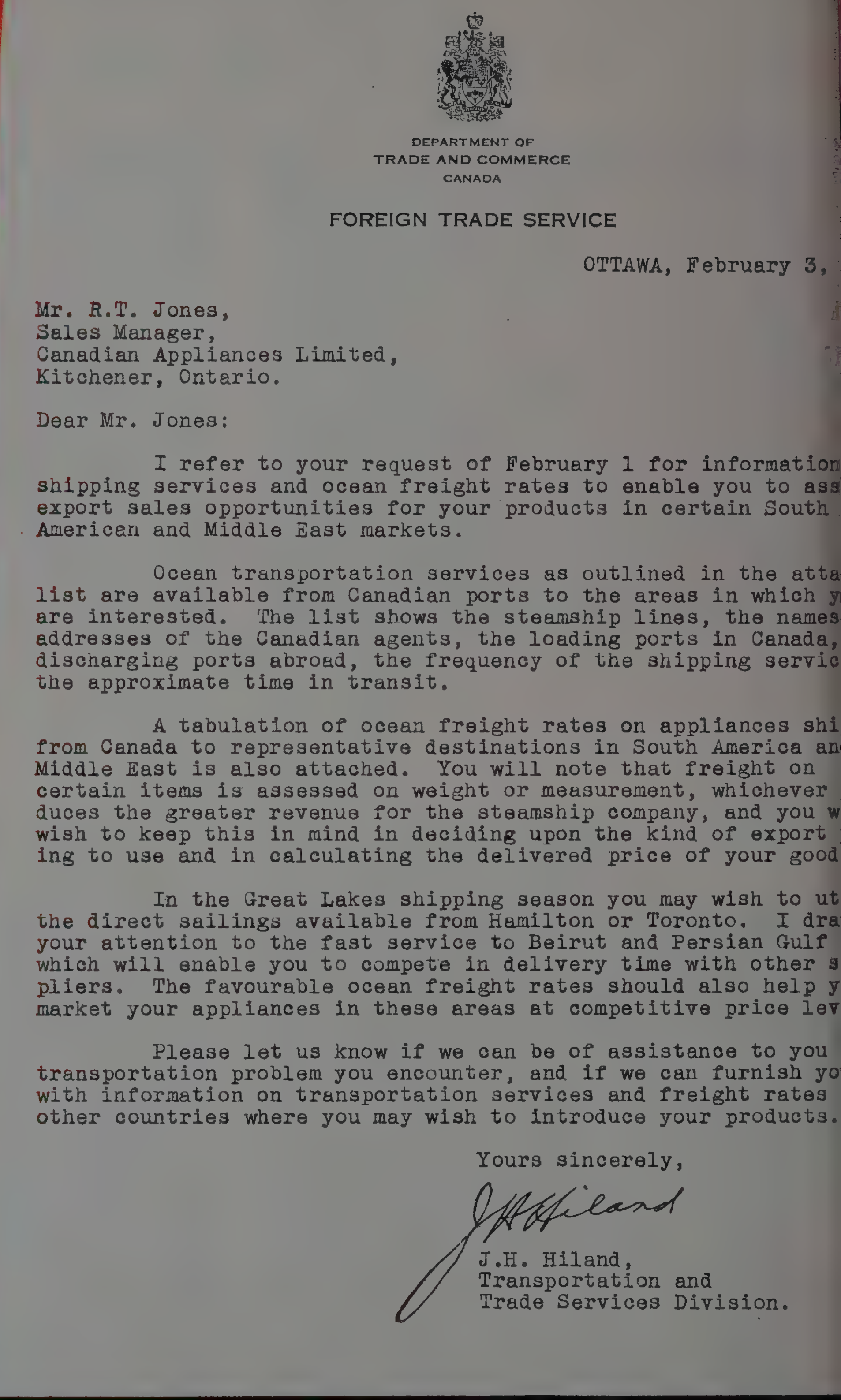

DEPARTMENT OF
TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, February 3,

Mr. R.T. Jones,
Sales Manager,
Canadian Appliances Limited,
Kitchener, Ontario.

Dear Mr. Jones:

I refer to your request of February 1 for information
shipping services and ocean freight rates to enable you to ass
export sales opportunities for your products in certain South
American and Middle East markets.

Ocean transportation services as outlined in the atta
list are available from Canadian ports to the areas in which y
are interested. The list shows the steamship lines, the names
addresses of the Canadian agents, the loading ports in Canada,
discharging ports abroad, the frequency of the shipping servic
the approximate time in transit.

A tabulation of ocean freight rates on appliances shi
from Canada to representative destinations in South America an
Middle East is also attached. You will note that freight on
certain items is assessed on weight or measurement, whichever
duces the greater revenue for the steamship company, and you w
wish to keep this in mind in deciding upon the kind of export
ing to use and in calculating the delivered price of your good

In the Great Lakes shipping season you may wish to ut
the direct sailings available from Hamilton or Toronto. I dra
your attention to the fast service to Beirut and Persian Gulf
which will enable you to compete in delivery time with other s
pliers. The favourable ocean freight rates should also help y
market your appliances in these areas at competitive price lev

Please let us know if we can be of assistance to you
transportation problem you encounter, and if we can furnish yo
with information on transportation services and freight rates
other countries where you may wish to introduce your products.

Yours sincerely,

J.H. Hiland

J.H. Hiland,
Transportation and
Trade Services Division.

Trade and Commerce Can Help Y

Canada's Foreign Trade in 1960 (page 2)

How the Government Finances Long-Term Exports (page 9)

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

MAR. 25. 61

FOREIGN TRADE

MARCH 25, 1961 Vol. 115 No. 6

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Canada's Foreign Trade in 1960 2

A statistician whose field is Canada's external trade looks at the export and import figures for the past year area by area, points out shifts in markets and in leading export products, adds tables and charts to give further information.

How the Government Finances Long-Term Exports 9

Canadian businessmen have been waiting for details on how to take advantage of government guarantees for export transactions under long-term credit. If you wish to make use of these new facilities, here is procedure to follow.

How's Business in the Congo? 12

Roger Bull, Acting Trade Commissioner in Leopoldville, has been stationed in the Congo capital since 1958 and has observed conditions throughout the country. With this perspective, he explains how the political troubles have affected normal trade but emphasizes that business—and visits—are still feasible.

Advertising Abroad: Singapore and Malaya 14

Latest article in our series focuses on new Federation and the port of Singapore, where four languages and large number of illiterate consumers complicate choice of media. Well established advertising agencies there can help foreign advertiser to find right medium and prepare acceptable copy.

How to Travel in Eastern Europe 17

Doing business on the spot in five Eastern European countries is practical and offers many trading advantages. After reading this sensible report by a man who visits this area regularly, you may decide to follow in his steps.

Merchandising Is the Answer 21

A Montreal export manager outlines his theories of export sales—theories that have proved themselves, to judge by the widespread markets in which he sells a highly competitive product. Nathan Bruker's experience with North-Rite Limited may encourage other Canadians who want to sell consumer goods.

U.S. Fisheries Products: Supply and Demand 24

Some of the problems facing the fisheries across the border, outlined here, have their counterpart in Canada, though exports matter less to the U.S. producer.

A Design Triumph 8
One Million U.S. Prefabs 20
Shannon Free Zone Set Up 23

Commodity Notes 26
Fairs and Exhibitions 10
Foreign Exchange Rates 29
Foreign Tariffs and Trade Regulations 27
Foreign Trade Service Abroad 31
Trade Commissioners on Tour 28

OMING——A LOOK AT CANADA'S TRADE IN FISHERIES PRODUCTS IN THE APRIL 8 ISSUE

WILLIAM G. STARK,
External Trade Section,
Dominion Bureau of Statistics.

Canada's Foreign Trade in 1960

CANADA'S total trade with other countries reached a new peak in 1960. The combined value of exports and imports in the year just ended, according to preliminary figures, totalled $10,891 million, an increase of 2.3 per cent over the previous record of $10,649 million attained in 1959. Total exports (domestic exports and re-exports) in 1960 were valued at $5,395 million, a rise of 5 per cent over the 1959 figures; imports, estimated at $5,496 million, were only fractionally below the high level of the preceding year. The import balance, at approximately $101 million, was reduced to slightly more than one-quarter of that for 1959 and was the lowest since 1954. This situation developed unevenly throughout the year, with exports climbing irregularly but with lesser impetus at the close and imports tending to decrease somewhat in the last half of the year.

Over the five-year period from 1956 to 1960, export and import prices remained relatively steady. During 1960, the average price levels of domestic exports and of imports showed small advances and, as import prices increased more than export prices, the terms of trade were slightly less favourabl
The physical volume of domest
exports rose at approximately t
same rate as their value and t
physical volume of imports declin
somewhat more than their valu
Table I gives summary statistics a
traces the movements in Canadi
trade totals and in the indexes
price and volume over the past fi
years, and in percentage chang
during the last two years.

Exports Expanded

Canada, as one of the leadi
countries engaged in world trade,
vitally concerned with economic d
velopments in the internation
field. During 1959 and extendi
into the first part of 1960, inte
national trade and economic
tivity increased among the mo
industrialized nations—particula
in Western European countries, t
United States and Japan. The latt
part of 1960 saw some decline
production in the United States a
the United Kingdom, and in We
ern Europe and in Japan the ra
of advance was slower towards t
close of the year. In addition, t
primary producing countries we
faced with a considerable decrea
in the purchasing power of th

TABLE I—Summary Statistics of Canadian Trade

	Calendar year					Change from	
						1958 to 1959	1959 to 1960
	1956	1957	1958	1959	1960	%	%
			$'000,000				
VALUE OF TRADE:							
Total exports	4,834	4,884	4,894	5,140	5,395	+ 5.0	+5.0
Domestic exports	4,760	4,789	4,791	5,022	5,266	+ 4.8	+4.9
Re-exports	73	95	103	119	129		
Imports	5,547	5,473	5,050	5,509	5,496*	+ 9.1	−0.2
Total trade	10,381	10,358	9,945	10,649	10,891*	+ 7.1	+2.3
Trade balance	−713	−589	−156	−369	−101*		
PRICE INDEXES:			1948=100				
Domestic exports	121.4	121.0	120.6	122.8	123.3†	+ 1.8	+0.4
Imports	113.0	116.4	116.5	114.4	116.2*	− 1.8	+1.6
Terms of trade	107.4	104.0	103.5	107.3	106.1*	+ 3.7	−1.1
VOLUME INDEXES:			1948=100				
Domestic exports	128.5	129.3	130.4	134.2	140.2†	+ 2.9	+4.5
Imports	187.5	179.6	165.6	183.9	180.7*	+11.1	−1.7

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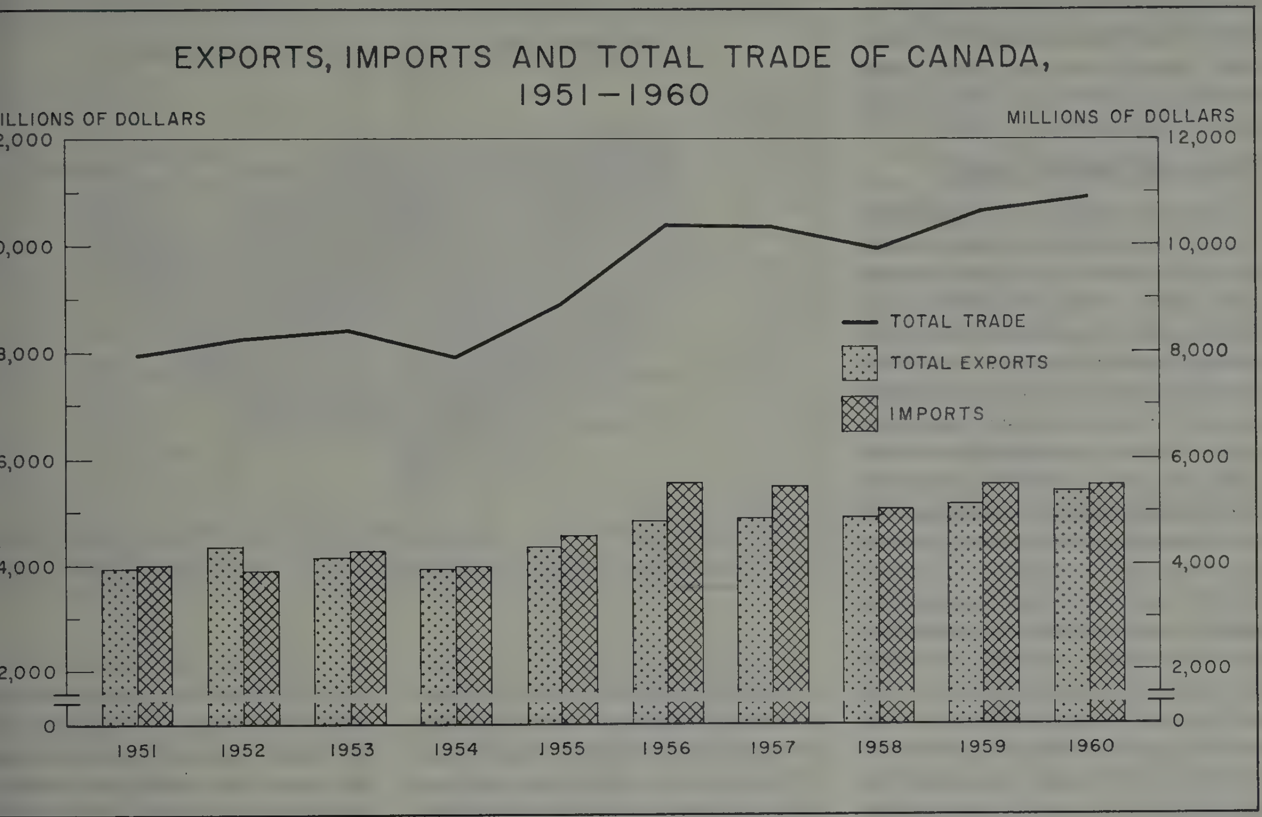
†Preliminary.
*Estimated.


EXPORTS, IMPORTS AND TOTAL TRADE OF CANADA, 1951–1960

ic export commodities. Never- less, Canadian exports to most in regions and to practically all ding countries (with the excep- n of the United States, India and nezuela) expanded in 1960.

In 1960 Canada's export trade showed some change in direction, with smaller shipments to the United States and 20 per cent more to overseas areas. During the year just closed, 56.3 per cent of total exports went to the United States as contrasted with 61.9 per cent in 1959. The United Kingdom's share was 17.1 per cent, an increase from 15.4 per cent in 1959, and other Commonwealth countries and Ireland took 6.3 per cent in 1960 as against 5.5 per cent in 1959. European countries absorbed 11.8 per cent compared with 9.5 per cent in 1959, reflecting the general increase in economic growth there. The share of exports forwarded to Latin America remained approximately the same and the increased proportion taken by other countries represented mainly larger purchases by Japan. Imports showed less variation and the shares provided by the principal suppliers—the United States at 67.3 per cent and the United Kingdom at 10.7 per cent—were identical in 1959 and 1960. The proportion of imports from Commonwealth countries rose, as did that from Europe; the percentage of shipments received from Latin America and other countries

TABLE II—Direction of Canadian Trade

	1958	1959	1960	1958	1959	1960
	Value in $'000,000			Per cent of total		
TOTAL EXPORTS TO:						
United States	2,896	3,182	3,036	59.2	61.9	56.3
United Kingdom	777	794	925	15.9	15.5	17.1
Other Commonwealth and Ireland	293	284	339	6.0	5.5	6.3
Other Europe	571	490	638	11.6	9.5	11.8
Latin America	181	175	188	3.7	3.4	3.5
Others	177	215	270	3.6	4.2	5.0
TOTAL IMPORTS FROM:						
United States	3,460	3,709	3,409*	68.5	67.3	67.3*
United Kingdom	519	589	542*	10.3	10.7	10.7*
Other Commonwealth and Ireland	210	241	263*	4.2	4.4	5.2*
Other Europe	314	376	353*	6.2	6.8	7.0*
Latin America	350	339	276*	6.9	6.2	5.5*
Others	198	255	218*	3.9	4.6	4.3*

---

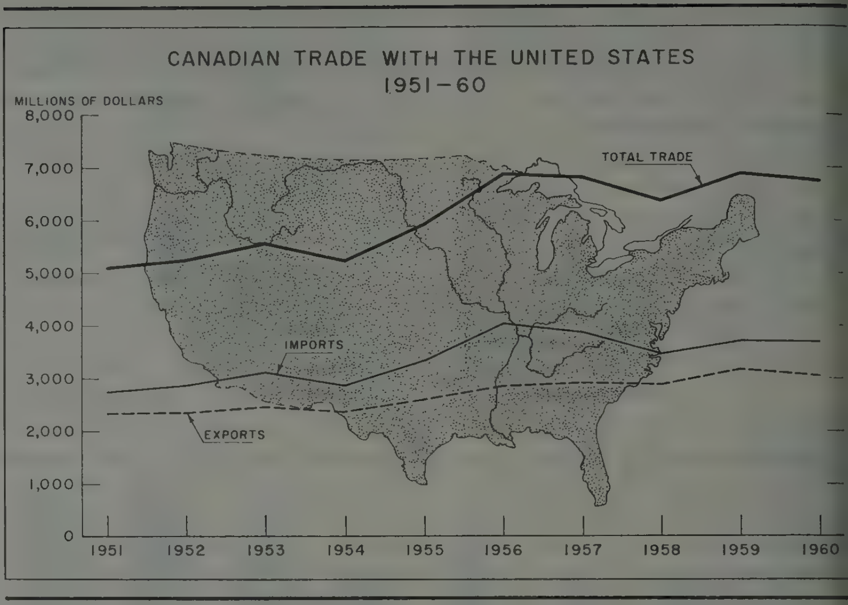
*January-November 1960 only.

decreased. Table II shows total exports to and imports from the main areas during the past three years and the percentage of the annual total enjoyed by each region.

Trade with United States

Canadian trade with the United States showed a rising trend during the 1950 decade, the chief exceptions being 1954 and 1958. The United States remained Canada's leading trading partner in 1960, though the values of both Canadian exports to that country and purchases from it were smaller than in 1959. As usual, imports exceeded exports and the import balance rose approximately 25 per cent, increasing from $527 million to $661 million in 1960. Domestic exports fell 4.8 per cent below the preceding year and imports declined fractionally. The downward export trend in the year just ended was due mainly to decreased shipments of uranium ores and concentrates, farm implements, nickel, aluminum, iron ore, cattle, lumber and rolling mill products.

The United States is the principal export market for Canadian forestry products and these make up over 40 per cent of total shipments to that country. Newsprint, as usual the main commodity, accounted for more than one-fifth of total exports and sales to the United States in 1960 rose by 2.6 per cent. Lumber was in second place, although sales fell 4.7 per cent below 1959. Wood pulp came third, with shipments advancing fractionally in 1960. Following in order of value of exports, uranium ores and concentrates fell 15.2 per cent (because of the deferring of deliveries arising from the non-renewal of contracts), iron ore 13.5 per cent, and fish products fractionally. Crude petroleum shipments were up more than one-quarter, nickel was off over one-fifth, copper advanced because of large first-quarter shipments but tended downward at the year-end, and exports of farm implements were over one-quarter less than in the preceding year.



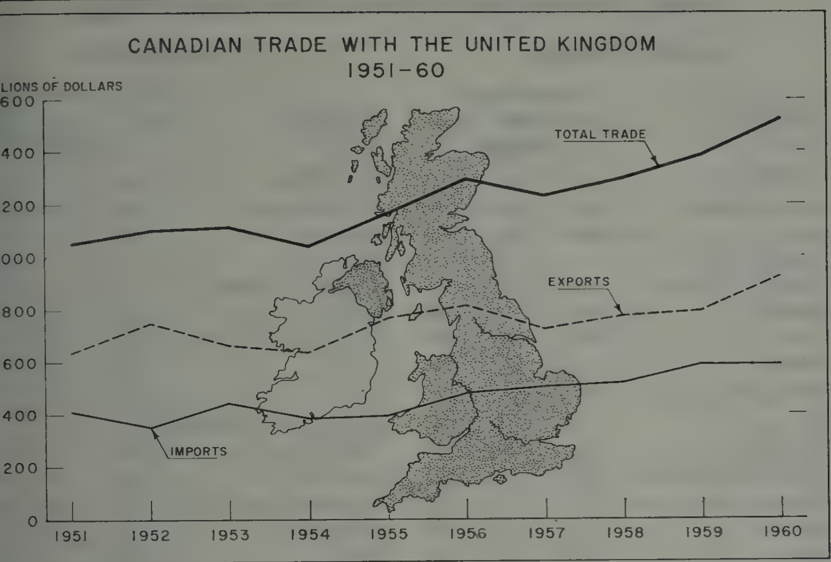
Among other important exports to the United States, aluminum and products and rolling mill products both dropped nearly one-third in 1960 and cattle shipments by more than one-quarter. Asbestos and products dropped fractionally, stone and products and shingles were slightly smaller and zinc and products decreased considerably. Exports of meat and of furs and products, seeds and grains were down from 1959. Alcoholic beverages rose slightly, however, engines and boilers somewhat more, and fertilizers and non-farm machinery advanced considerably. Shipments of electrical apparatus more than doubled.

Imports from the United States, which were high at the beginning of the year, fell during the middle months of 1960 but advanced somewhat towards the close. The trend among leading commodities was uneven; declines were only slightly more numerous than advances. Imports of non-farm machinery, the principal commodity, rose slightly and those of automobile parts, the second, declined. Farm implements and machinery dropped off substantially and electrical apparatus fell somewhat. Fruits rose slightly. Automobiles, cotton products, rubber, wood a
petroleum products declined co
siderably. Raw cotton and aircra
and parts advanced substantiall
vegetables and plastics considerabl
and books slightly.

Trade with the United Kingdo

Canadian trade with the Unit
Kingdom reached a record total
1960. It has, in fact, increas
nearly 50 per cent since 1951,
upward trend running through t
last ten years except for 1954 a
1957. Domestic exports rose 16
per cent in 1960 over the 19
figures as each quarter of the pa
year showed an increase over t
corresponding period of 1959,
though the rate of advance slac
ened in the last quarter. Canad
export balance with the Unit
Kingdom amounted to $336 milli
in 1960, compared with $206 m
lion in 1959.

Wheat, which accounted
nearly 15 per cent of exports
the United Kingdom in 1960,
mained the leading commodity
though shipments declined 8.6 p
cent from 1959. Aluminum a
products was second, advancing
per cent, followed by copper a
products which rose 42.5 per ce
and nickel up 47 per cent. Shi



CANADIAN TRADE WITH THE UNITED KINGDOM
1951–60

nts of newsprint increased by e-sixth and exports of lumber arly doubled those of 1959. Other ains declined one-sixth, wood pulp d iron ore each moved up nearly e-quarter, and uranium ore and ncentrates dropped off one-fifth. nong other leading commodities ere were more gains than declines. gs and ingots and rolling mill oducts advanced sharply and ex- rts of zinc, non-farm machinery, d, synthetic fibres, vegetables, and lpboard and paperboard rose nsiderably. Fish and fish products creased over one-half and exports milk and products were much naller. Exports of tobacco and eds increased but wheat flour sales clined slightly.

Imports from the United King- m into Canada in 1960 are esti- ated as slightly surpassing the cord total of the preceding year. e upswing in 1959 carried for- ard into the first part of 1960 and fset later reductions. According figures so far available, there ere more gains than losses and the o leading commodities, automo- les and wool products, were both er one-third higher. Imports of n-farm machinery, though high value, were slightly less than in 1959. While precious metals increased by two-thirds and engines and boilers by one-fifth, pipes and tubes and rolling mill products decreased slightly and electrical apparatus declined by one-quarter. Imports of aircraft and parts dropped, farm implements and machinery decreased, and wire and chain declined slightly. Clay and products dropped somewhat and cotton products fell fractionally. Alcoholic beverages showed a slight gain.

Trade with Commonwealth

Trade with Commonwealth countries (other than the United Kingdom) also expanded in 1960. Exports rose by one-fifth and imports by one-sixth. Exports to Australia increased over 80 per cent and included larger amounts of newsprint, lumber, wood pulp, aluminum, iron and steel products. Shipments to Hong Kong doubled, with wheat, textiles, chemicals and non-ferrous metals all increasing. Exports to New Zealand rose substantially, with larger sales of canned salmon, aluminum, chain saws, automobiles, newsprint, chemicals, and iron and steel products. Sales to the Union of South Africa rose slightly but those to the West Indies Federation fell fractionally. Total shipments to India and to Pakistan declined by nearly one-third mainly because of smaller wheat deliveries. Exports to India of aluminum, zinc and copper products advanced but those of non-farm machinery and rolling mill products decreased.

TABLE III—Canadian Domestic Exports to EEC and EFTA Countries

Group and country	1958	1959	1960	1958	1959	1960
	Value in $'000,000			Per cent of total domestic exports		
European Economic Community (EEC)						
Belgium and Luxembourg	70	56	69	1.5	1.1	1.3
France	45	43	73	0.9	0.9	1.4
Germany, Federal Republic	201	129	166	4.2	2.6	3.1
Italy	30	32	68	0.6	0.6	1.3
Netherlands	75	54	63	1.6	1.1	1.2
Total: EEC countries	420	314	439	8.8	6.3	8.3
European Free Trade Association (EFTA)						
Austria	7	8	8	0.2	0.2	0.1
Denmark	5	5	5	0.1	0.1	0.1
Norway	56	62	70	1.2	1.2	1.3
Portugal	3	3	3	0.1	0.1	0.1
Sweden	11	15	21	0.2	0.3	0.4
Switzerland	29	26	26	0.6	0.5	0.5
United Kingdom	772	786	915	16.1	15.6	17.4
Total: EFTA countries	882	906	1,049	18.4	18.0	19.9
Total: both groups	1,302	1,220	1,487	27.2	24.3	28.2

TABLE IV—Leading Countries in Canada's Trade

DOMESTIC EXPORTS

Country	1958	1959	1960
	Calendar year		
	$'000,000		
United States	2,808	3,083	2,935
United Kingdom	772	786	915
Japan	105	140	178
Germany, Federal Republic	201	129	166
Australia	53	54	99
France	45	43	73
Norway	56	62	70
Belgium and Luxembourg	70	56	69
Italy	30	32	68
Netherlands	75	54	63
Union of South Africa	50	51	53
West Indies Federation	36	40	40
Mexico	31	28	38
India	79	54	37
Venezuela	43	46	35

IMPORTS

Country	1958	1959	19
	January to Novem		
	$'000,000		
United States	3,180	3,412	3,4
United Kingdom	479	542	5
Venezuela	192	188	1
Germany, Federal Republic	93	114	1
Japan	62	94	1
West Indies Federation	42	49	
France	35	53	
Italy	29	34	
Belgium and Luxembourg	31	41	
Saudi Arabia	62*	65*	
Australia	32	39	
Netherlands Antilles	33	39	
Netherlands	25	27	
India	26	27	
Malaya and Singapore	18	25	

---

*Includes imports from Bahrain and Kuwait prior to 1960.

As a source of imports into Canada the West Indies Federation took the lead among Commonwealth countries and supplied more than one-fifth of this traffic. Australia, Malaya and Singapore and India sent over 10 per cent each. Imports of bauxite from Jamaica and of sugar from Fiji rose considerably. Cocoa from Nigeria and Ghana, coffee from British East Africa, and tea from Ceylon all showed gains. Wool shipments from Australia and New Zealand increased; sugar shipments from Mauritius, Australia, Jamaica and British Guiana decreased.

Trade with Europe

It was perhaps trade with this area that attracted most interest in 1960. Of particular notice were the developments within the two principal trading groups among Canada's customers in Western Europe—the European Economic Community (EEC) or Common Market, and the European Free Trade Association (EFTA). Shipments to these countries and their shares of total Canadian exports are recorded in Table III.

It is interesting to note the fairly high value but relatively low proportion of the total of domestic exports sent from Canada to most of the individual countries in these blocs. Their importance is more apparent when they are considered as integrated markets: the EEC countries together absorbed 8.3 per cent of exports in 1960 and EFTA nations 19.9 per cent, for a total of 28.2 per cent for the two groups. However, over 87 per cent of Canadian domestic exports to EFTA countries was accounted for by our shipments to the United Kingdom. Canadian exports to Western Europe (not including the United Kingdom) increased by nearly one-third in 1960. Practically all countries in the two trading groups showed gains. The most striking was in shipments to Italy, which were more than double the 1959 figure, and to France, where there was a two-thirds increase. The German Federal Republic took the largest share, followed by France, Norway, Belgium and Luxembourg, Italy and the Netherlands. Wheat sales to France and Italy increased substantially but to Germany they declined. The rising rate of production in the six countries of the European Economic Community resulted in increased demand for semifabricated iron and steel and for non-ferrous metals, particularly aluminum, copper and nickel.

Imports from Western Europe maintained a slight gain in 1960 over the preceding year. There was some advance in shipments from West Germany, which supplied one-third of the total, and proportionately higher rises in imports from Italy, the Netherlands and Sweden; arrivals from Belgium and France declined. According to preliminary figures, there were increases in imports of machinery from Germany, Italy, Sweden and France, automobiles from Germany and electrical apparatus from the Netherlands. Rolling mill products from Belgium and Germany, cars from France, and electrical apparatus from Ge many and Switzerland all declin considerably. Canadian trade wi Eastern Europe remained almost t same in 1960 as in the precedi year; domestic exports appro mated $38 million and imports $ million in both periods.

Trade with Latin America

Canadian exports to Latin Ame ica advanced in 1960 but impo from that area declined. Shipmen to Argentina, Brazil and Mexi increased substantially but those Venezuela were nearly one-quart less. Sales of newsprint to Argenti and Brazil rose, as did shipmen of rolling mill products to Arge tina and Mexico. Exports of whe to the region declined considerab and particularly to Peru and Colo bia. Wood pulp exports increas and milk products were distribut more widely. Fish and newspri shipments to Cuba and of plast to Mexico and Venezuela we smaller. Non-farm machinery sa to Venezuela advanced by one-fif Exports of aluminum to Mexi more than doubled and of asbest

TABLE V—Leading Commodities in Canada's Trade

DOMESTIC EXPORTS

	Calendar year		
ommodity	1958	1959	1960
	$'000,000		
vsprint paper	690	722	758
eat	446	442	410
nber and timber	294	324	346
od pulp	285	311	325
minum and products	224	232	269
nium ores and oncentrates	277	312	264
kel	212	227	258
pper and products	142	166	224
n ore	108	158	155
n and fishery products	152	144	135
bestos and products	92	111	121
roleum, crude	73	75	94
m implements and nachinery	98	115	85
coholic beverages	75	83	84
eds	76	69	76

IMPORTS

	January to November		
Commodity	1958	1959	1960
	$'000,000		
Machinery (non-farm)	494	539	540
Automobile parts (except engines)	215	267	273
Petroleum, crude	251	256	259
Electrical apparatus, n.o.p.	222	247	240
Automobiles, freight and passenger	148	212	225
Farm implements and machinery	184	258	215
Fruits	141	147	147
Engines and boilers	125	125	128
Rolling mill products (steel)	130	125	125
Cotton products	96	104	113
Petroleum products, n.o.p.	113	120	102
Aircraft and parts	88	72	95
Books and printed matter	82	89	93
Plastics and products	74	83	90
Rubber and products	59	85	80

oducts increased. Latin American
arkets absorbed approximately 3.5
r cent of all exports from Canada.

In recent years, Latin America
s been the source of about 6.5
r cent of total imports into Can-
la but this figure dropped to 5.5
r cent for 1960. Petroleum and
troleum products from Venezuela,
hich account for approximately
o-thirds of all imports from the
ea, declined somewhat. Less cof-
e arrived from Brazil and Colom-
a and less cotton from Mexico
d El Salvador. Imports of bana-
s from Ecuador increased by
o-thirds but from Costa Rica,
onduras and Panama decreased
nsiderably. Sugar from Cuba de-
ined, as did nuts, cocoa butter
d waxes from Brazil. Iron and
anganese ore shipments from
razil were considerably higher, as
ere metallic ores from Peru.

rade with Other Countries

Canadian trade with countries in
egions other than those specified
bove has risen during recent years
nd reflects a more diversified
pread of products. Additional mar-kets in Africa and Asia have been opened and new commodities are supplementing traditional lines. Japan is the most important country in this group and has become Canada's third principal export market and fifth amongst main suppliers. Canadian exports to Japan rose 27.4 per cent in 1960 and imports from Japan approximately 7 per cent. Shipments to Japan of wheat, iron ore, aluminum, copper, asbestos and machinery increased considerably but sales of barley, wood pulp and plastics declined. Imports of rolling mill products and electrical apparatus advanced but machinery dropped. Sales to the Philippines and Puerto Rico remained steady, exports to the Republic of China (Taiwan), Israel and Mozambique increased, and those to Communist China rose considerably chiefly because of mid-year shipments of steel plate, of aluminum and of chemical products. Large amounts of petroleum were imported from Saudi Arabia and Iran and of petroleum products from the Netherlands Antilles.

Approximately 92 per cent of Canadian trade with foreign lands in 1960 took place with eighteen nations, the majority of which are important both as export markets and sources of imports. Over 60 per cent of Canada's total trade resulted from the exchange of goods with the United States and about 15 per cent with the United Kingdom. These countries lead in both the export and import fields and the accompanying charts illustrate the flow of merchandise with Canada's two chief trading partners during the past ten years.

Japan, which replaced West Germany in 1959 as Canada's third export market, retained this place in 1960; Germany ranked fourth. Australia lifted many restrictions against goods from the dollar area and moved from seventh to fifth export customer. France changed from twelfth to sixth position with exports rising nearly 70 per cent. Norway, up 12.5 per cent, Belgium up 23 per cent, and Italy, to which sales rose over 115 per cent, followed closely, with the Netherlands slightly below. Two Commonwealth countries were next in importance—the Union of South Africa and the West Indies Federation. Mexico, India and Venezuela completed the group of fifteen leading destinations of Canadian exports.

Following the United States and the United Kingdom, the most important suppliers of goods to Canada in 1960 were Venezuela, the Federal Republic of Germany, and Japan. These countries have held the same high ranks since 1955. The West Indies Federation came next, shipments increasing by 10.5 per cent. Imports from France were nearly 12 per cent less in 1960 than in the preceding year. Italy increased her sales by 13 per cent, but arrivals from Belgium and Luxembourg dropped by 7 per cent. Shipments from Australia fell by one-sixth and those from the Netherlands Antilles by nearly one-quarter. Imports from the Netherlands and from Malaya and Singapore each rose 6 per cent and from India declined slightly.

Table IV lists the leading countries in Canada's foreign trade in descending order of value, with figures for preceding years.

Leading Commodities

The 15 main export and import commodities which together form the bulk of Canada's foreign trade are set out in Table V in descending order of value. The products mentioned account for more than two-thirds of Canadian domestic exports in 1960 and over half of total imports.

The majority of leading export commodities showed gains for the year just closed. However, shipments of several declined during the last three months and the rate of advance for others began to slow down. Newsprint remained the principal export; shipments rose 4.9 per cent in 1960 and at about half that rate in the fourth quarter, but wheat, still the second most important commodity, declined 7.1 per cent over the year, though sales increased 4.3 per cent in the fourth quarter. Lumber and wood pulp were in third and fourth place during the year, advancing 7.0 per cent and 4.4 per cent respectively.

Following in order of value, aluminum and products increased by 15.9 per cent in 1960 mainly because of large exports at the first of the year. Uranium shipments declined during the last nine months and 1960 exports were some 15.5 per cent smaller in value than those of the preceding year. Nickel exports for the year advanced 13.8 per cent. Copper shipments slackened moderately in the fourth quarter, but the year's total was 34.8 per cent larger than in 1959. Iron ore exports which advanced during the first ten months declined abruptly in the last two, so that the total for the year was slightly under that of 1959. Considerable advances during 1960 were made in exports of asbestos, crude petroleum and seeds; shipments of fish and fish products, grains, and farm implements and machinery declined. Exports of rolling mill products and non-farm machinery increased substantially and zinc and products and fertilizers made smaller advances.

Import commodities showed less variation and for the most part totals remained at the same high levels for the first eleven months of 1960 as in the January-November period of the preceding year. Non-farm machinery, valued at nearly twice as much as any other commodity, was the leading import, a position it has held for many years. Automobile parts were in second place, followed by crude petroleum, both showing small advances. Electrical apparatus was fourth, with arrivals slightly smaller in 1960. Following in order of value, imports of automobiles increased but not as sharply as in 1959, and farm implements and machinery (which includes tractors and parts) declined considerably. Fruits remained at the same level as in 1959. Engines and boilers advanced slightly and rolling mill products remained steady. Cotton products rose considerably, petroleum products fell by one-sixth and imports of aircraft and parts went up by one-third. Books and plastics increased, and rubber and products declined.

The Outlook

In recent years, ample production facilities throughout the main industrial nations, many stemming from new or redesigned plants, coupled with a growing labour force, have ushered in an era of sharper competition throughout the world. This has changed the situation that obtained from the end of the war and until about the middle fifties, when international demand for many commodities exceeded the supply and there were actual shortages in numerous lines. Consequently, several of the principal trading nations, Canada included, are taking further steps to promote export trade. The current year promises to be one of strong competition in international trade. ●

A Design Triumph . . .

ENGINEERS at Canadian General El
tric have won new laurels in the exp
market. They have designed, built a
shipped to the United States the worl
largest capacitors intended for outdo
operation. They got the job when U
firms did not want to tackle it, a
because European prices were too hi
The equipment they produced has be
hailed by the industry as a "desi
triumph".

The order for the three capacit
came from General Electric at Pittsfie
Mass., where a prototype extra hi
voltage transmission system is being co
structed to test the feasibility of pow
transmission over great distances at ve
high voltage. The experiment will eve
tually provide accurate power-loss me
urements, but instruments capable
recording these losses, without themsel
contributing to them, are essential. T
capacitors were part of this problem a
the specifications were demanding.

The job was given to CGE's Davenp
instrument transformer works in Toron
under the supervision of Engineer Ho
ard Lucas. His answer to the proble
shown above, has some unusual featur
It is free from internal or external ra
noise or ionization at maximum volta
and sulphur hexafluoride has been us
as the insulating gas for operating pr
sures of 30 psig.

Each capacitor stands 19 feet high a
the whole 4½-ton shipment was placed
rubber air-filled mattresses (also specia
designed) to prevent any possible mo
ment during shipment.

How the Government Finances Long-Term Exports

adian exporters of capital ods can now match long- m export credits offered ppliers in other countries.

D. C. TAYLOR, *Export Credits Insurance Corporation.*

CANADIAN exporters of capital goods can now call upon financing facilities comparable with those available to their competitors in other countries. This was the keynote of an announcement made by the Honourable George Hees, Minister of Trade and Commerce, in the House of Commons on November 25, 1960. The Minister's statement related both to medium-term and longer-term financing. For the former, he announced that "the chartered banks will operate a new company [the Export Finance Corporation of Canada Ltd.] expressly to provide financing for export transactions on credit terms extending up to five years. Export credits insurance will continue to be made available in support of these operations."

In this area of financing, the Export Credits Insurance Corporation will insure the credits in the normal way. In the longer-term field (the subject of this article), Mr. Hees said: "On the government side, support will be given to the financing of export transactions involving credit terms over five years. The Government is prepared to provide guarantees for these extended credit term transactions under Section 21A of the Export Credits Insurance Act and, in addition, to purchase the guaranteed foreign obligations from the new financing company or other lenders."

These new government facilities for longer-term financing are intended to promote Canadian export trade in capital goods on a continuing commercial basis. Accordingly, they are designed to be used for the kinds of capital goods that can be produced efficiently in Canada and can compete in world markets, and for which there is likely to be a continuing demand in the importing country.

Details Must Be Submitted

The Government has designated the Export Credits Insurance Corporation as its agent for administering this program. Exporters seeking to use these facilities should, at as early a stage as possible, communicate with the Corporation, which has established an Export Finance Division to perform this function. Exporters will be expected to submit complete and precise details of the proposed transactions, including:

1. Convincing evidence that the extended credit terms requested:

   (a) are in fact required to meet the competition of other suppliers and necessary in the light of the credit needs of the importing country and

   (b) are appropriate in relation to the nature of the project and the normal life of the equipment.

2. Reasonable indication that the proposed order will lead to good opportunities for future export sales.

3. Information establishing that the Canadian value content is of a high order, generally 80 per cent or more.

In addition to these basic criteria, to win approval for government financing the proposed transactions must be of substantial value and must be related to sound projects in the foreign country. The purchaser and the purchasing country must have good credit standings.

Consultation in Early Stages

It is left to the individual exporter to develop foreign business prospects for capital goods requiring extended credit terms financing, to carry out his own negotiations abroad, and to apply for financing in support of the specific export transactions. The process is facilitated if the Canadian exporter makes an early approach to the Export Finance Division of the Export Credits Insurance Corporation as soon as he becomes interested in seeking a foreign order and has fairly complete information about the proposed transaction. Even before becoming involved in the expense of engineering surveys and sales promotion efforts, he can be given an indication whether or not the transaction will be likely to meet the criteria for eligibility under the financing arrangements. Armed with this preliminary indication, the exporter can make a serious attempt to bid for the business, supplying detailed information to the Export Credits Insurance Corporation as it develops.

Cabinet Must Approve

Once the exporter has provided all the information required and is convinced that he has reasonably good prospects of winning an order, he can apply for approval. The Export Finance Division of ECIC, having assembled and studied all the relevant information, will submit the case to the Committee on Export Finance, comprised of representatives of the government departments concerned with international trade and finance. This committee reviews all proposals for financing and in appropriate cases recommends them to Cabinet for approval.

Once Cabinet approval is granted, the exporter may continue his direct negotiations with the foreign buyer for a final contract. Upon the successful conclusion of the contract, the ECIC will attach its guarantee to the promissory notes or other payment instruments given by the importer to the exporter and then arrange for the outright purchase of these notes. All such purchases are without recourse on the exporter.

Although the responsibility of promoting the business and nego-
tiating the sale rests with the
porter, it should be realized t
these transactions are not of t
class called "suppliers' credits". T
foreign buyer receives a credit
tablished and financed by the Ca
dian Government delivered to h
in the form of goods. The Canad
supplier receives payment for
goods on completion of delivery.
thus makes a cash sale and has
participation in the credit. Since
supplier is granting no credit,
does not require export credits ins
ance as in the case of medium-te
exports. The only cost of financ
the credit that must be passed alc
to the foreign buyer is the inter
charge on the debt. These inter
charges are, as mentioned, com
rable to those available under crec
extended by foreign competitors.

FAIRS AND EXHIBITIONS

Design Engineering Show

THIS year's Design Engineering Show will take place in Detroit, May 22-25, at the new Cobo Hall. The Canadian Government exhibit will occupy 2,400 square feet of choice display area on the ground floor in front of the two main entrances; Canada was first in the draw for space and had her pick. The number of Canadian exhibitors has risen from 17 last year (at New York) to 20 this year. Receiving special emphasis are new designs in mechanical and hydraulic equipment, electronics, nuclear particle detection and navigational aids. The Department of Trade and Commerce, organizer of the Canadian exhibit, is anxious to display the precision tolerances on fine component parts which are possible with Canadian machines. Reports from firms which took part last year were enthusiastic; 20,400 technical personnel (the public is not admitted) attended the show and about 10,000 saw the Canadian display. The Canadian exhibits also received a good deal of publicity in U.S. trade journals, television and the public press; one representative estimated the value of this free publicity to his company at $50,000. The 17 firms together did hundreds of thousands of dollars worth of business with visitors to the display and received 832 written inquiries, some from Euro
Contacts made with other exhibitors also resulted
business for some.

Successful Home Builders Show

CANADA'S exhibit at the National Association
Home Builders Convention and Exposition (held
Chicago from January 29 to February 2) was co
sidered a handsome one and received much favora
comment from U.S. visitors. It consisted of an ingeni
setting designed to show Canadian forest products
use—the first floor of a home with stairs leading to
second floor. Visitors could enter the 20 by 20-fo
model and mount the steps. It was finely construct
of many types of wood—maple, spruce, cedar, pi
fir, rustic birch, alpine elm and knotty pine. Wallpap
colored ply sheeting and the Pierson sashless wind
were also included. Because of its height and attracti
design, the display was prominent; the booth receiv
24,000 visitors and distributed 15,870 pamphlets a
brochures. Since this is a vertical fair, all visitors we
from the building industry and its allied professio

l associations. Many business inquiries were reved and these have been sent to Canadian mills l wholesalers who may profit from them. Manning Canadian booth were members of the Department Trade and Commerce, the Western Red Cedar ngle Bureau, B.C. Lumbermen's Association, and berta Forest Products Association. The Exposition l be held again next year.

ndon's "Engineering, Marine"

URTEEN firms have been selected to participate in Canadian Government exhibit at the Engineering, rine, Welding and Atomic Energy Exhibition, to be d April 20 to May 4 in London. This British show put on every two years and is attended by potential yers from all over the world. Exhibits cover the ire mechanical engineering field, as well as associated erprises such as corrosion prevention, radiography, tal refining, lubrication, testing and measuring, fire vention, heat insulation, space clearing, storage, chanical handling, protective clothing, and all nches of shipfitting and ship construction.

The Canadian Government is entering this exhibition the first time. Our exhibits will cover a cross-section the Canadian industry; they will show nuclear truments, automotive test equipment, railroad equipnt, model electric trains, vulcanizing equipment, diesting machines, a turret mill, the triodetic joint, mwork, and production welding. Good workmanp, efficient production techniques and determined es promotion have already brought results for Canan firms in European markets, so that participation this showpiece of the industry is expected to be ofitable. Canada's share in the next exhibition, two ars from now, will probably be larger.

ming Vertical Fairs

UTOMATION—*Instrument Society of America Instrumenttomation Conference and Exhibition,* Los Angeles, Septem: 11-15. Apply: Executive Director, Instrument Society of nerica, 313 Sixth Avenue, Pittsburgh 22, Pennsylvania.

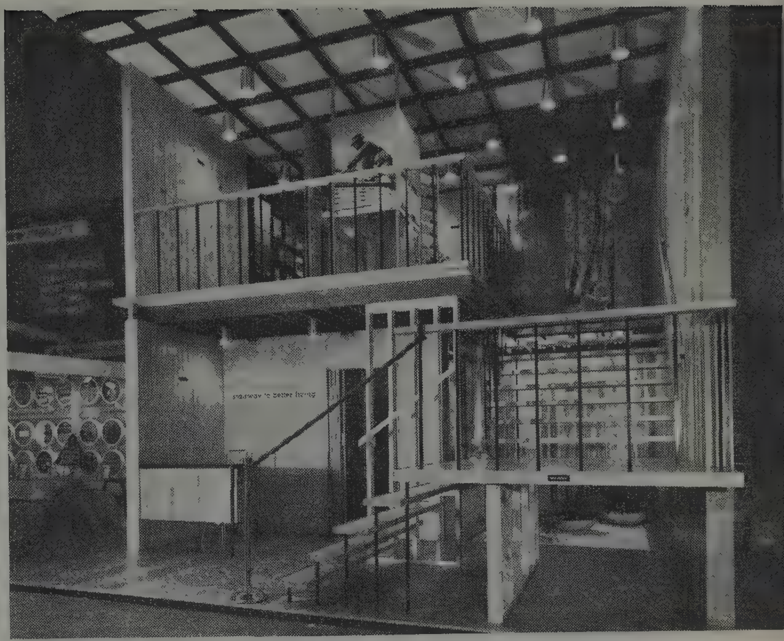
ONSTRUCTION—*Construction Equipment Exhibition,* Lonn, England, June 15-24. Apply: Construction Equipment hibition Ltd., Drury House, Russell Street, Drury Lane, ndon.

Building Exhibition, London, England, November 15-29. pply: Building Exhibition, Building Trades Exhibition Ltd., Manchester Square, London.

LECTRONICS—*International Exhibition of Radio, Television d Electronic Equipment (FIRATO),* Amsterdam, Netherds, September 1-8. Apply: International FIRATO hibition, Secretariat F.I.A.R. en Stichting, FIRATO Radiotoonstelling, Emmalaan 20, Amsterdam, Netherlands.

Western Electronic Show and Convention, ("Wescon"), Los ngeles, August 22-25. Apply: "Wescot", 1434 S. La Cienega ulevard, Los Angeles 35, California.

NGINEERING—*Melbourne Engineering Exhibition,* Melurne, Australia, August 7-12. Apply: Robert Howarth & ssociates, 27 Murphy Street, South Yarra, Australia.



"Mount the stairway to better living" was Canada's invitation at the Home Builders' Exposition. Visitors climbed maple steps, and they saw many other types of wood cunningly used.

HORTICULTURE—*International Exhibition of Flowers and Plants,* Turin, Italy, April 28-June 15. Apply: Fiori del Mondo a Torino, Esposizione Internazionale, Via Pomba 23, Turin, Italy.

MACHINE TOOLS—*German Welding and Cutting Exhibition,* Essen, West Germany, September 3-10. Apply: Gemeinnutzige Ausstellungs-G.m.b.H., Norbertstrasse 2, Essen, West Germany.

American Society of Tool and Manufacturing Engineers Annual Show and Convention, Detroit, Michigan, May 22-26. Apply: ASTME, 10700 Puritan Avenue, Detroit 38, Michigan.

MACHINERY—*5th International Fair of Technics and Technical Achievements,* Belgrade, Yugoslavia, August 23-September 2. Apply: Beogradski Sajam, Bulevar Vajode Misica 14, Belgrade, Yugoslavia.

MUSICAL INSTRUMENTS—*National Association of Music Merchants Inc. Exhibition,* Chicago, Illinois, July 16-20. Apply: 222 West Adams Street, Chicago 6, Illinois.

NEW PRODUCTS—*New Products Exhibition and Conference,* Los Angeles, California, September 7-8. Apply: c/o Los Angeles Chamber of Commerce, Box 3696, Los Angeles, California.

PLASTICS—*International Plastics Exhibition and Convention (Interplas),* London, England, June 21-July 1. Apply: Exhibition Manager, "Interplas", Dorset House, Stamford Street, London S.E. 1, England.

SANITATION—*International Conference in Public Cleansing,* Göteborg, Sweden, September 4-8. Apply: The Public Cleansing Dept. of Göteborg, Box 341, Göteborg 1, Sweden.

TEXTILES—*3rd International Textile Fair,* Paris, France, June 23-29. Apply: Parc des Expositions, Porte de Versailles, Paris, France.

Commercial activity has slowed down and development proje are stalled for the moment, but trade with Canada is continuing a exporters should bear in mind the Congo's long-term potenti

How's Business in the Congo?

ROGER BULL, *Acting Trade Commissioner, Leopoldville.*

THE Congo was until recently a good market for Canadian products. Mineral and agricultural exports combined (copper, tin, cobalt, diamonds, gold, coffee, palm oil, timber, cotton, rubber) provided the economy with a broad base and steady earnings. Heavy private investment in plant and equipment and substantial public investment in road, rail, air and river transport, in buildings and education, built up national and personal incomes. The import tariff is low, bound by the Congo Basin Treaties, and does not discriminate against any country. Importers' overheads were high, but so were their incomes. The Congo was definitely a buyer's market.

Financial Problems Increase

The economy, although it was more soundly based than that of most under-developed countries, came under pressure long before independence. As early as 1952 the balance of payments on current account slipped into deficit. This adverse balance was offset by long-term imports of private capital until the end of 1955. By 1956 private capital invested in the Congo began to decrease and the over-all balance of payments showed a small deficit. This deficit exceeded 5.6 billion francs by 1959, of which 3.3 billion was on current account. This had to be met by public capital from Belgium.

Foreign exchange began to be a problem as the deficits of 1957 and 1958 nearly exhausted the 13.9 billion franc reserve fund of gold and convertible currency holdings accumulated after the last war and during the Korean war, when raw materials were in short supply. By March 29, 1960, reserves had fallen to what was considered the minimum required to back the franc (33 per cent or 2.5 billion francs), and foreign exchange controls were applied to capital transfers from the Congo. Import controls were imposed on August 8, and by November 26 the convertible reserve was back to 2.7 billion francs from the low of 1.4 billion to which it fell during the post-independence troubles.

These troubles have ended all development work. Even badly needed government buildings in Leopoldville have been left unfinished for want of money. Further development appears to depend on the solution of political difficulties. All current earnings are being devoted to administrative costs and unless and until foreign aid can be obtained to finance specific programs in the Congo, there is no prospect of further progress, despite the known needs of the country and the existence of plans for certain major public works—like the construction of the Inga hydroelectric undertaking and the completion of the Leopoldville-Matadi highway.

Foreign Trade

Although the flight of capital has stalled Congo development, the improvement in the trade balance in 1959 suggests that constructive policies, coupled with good markets, may bring a gradual recovery.

Exports fell to 24 billion francs in 1957 and to 20 billion in 1958 but rose in 1959 to 25 billion; imports decreased steadily to 1 billion in 1959, giving a trade s plus of 9.7 billion francs, the hig est ever recorded. Unfortunately t drop in imports included not o luxury consumer products, but al the basic capital goods upon whi development depends.

There has been a steep dr in imports since independen For imports of Canadian goods, though exact figures are not ava able, this fall was probably fro nearly $1 million in the first s months of 1960, to (hopefull $350,000 in the second. This is 65 per cent drop, yet Canadian e ports were aided by the importan of food, and especially flour, amo the items included.

Exports Are Rising

Exports in the first half of 19 continued to improve on 1959, ri ing 20 per cent in the first quart and to the end of May by 14 p cent, to total 10.3 billion franc Exports of diamonds, tin, zinc a copper were all larger, as we those of rubber and cotton.

Despite the troubles since the exports have held their own. Amo agricultural products, timber a wood products weathered a po third quarter to pick up at the e of the year, according to the Con Wood Producers Trade Associatio

Reports from the cotton-growi areas in the north of the Con early in February 1961 told hopes of a fair crop despite a co siderable fall in private plantin Production on plantations and the cottonseed oil plants in Equat Province is normal.

'he civil population of the Kivu particularly of Bukavu are re- tedly being encouraged to go to k on the Kivu tea and coffee itations, many of which were ndoned by their owners after anti-European demonstrations he Kivu in January. It does not n probable that this will save crops. A good proportion may ie to market but the good repu- on earned by the quality of Kivu ousta will take some years to ore.

Even in the prosperous Katanga, ere over half the national income he Congo is generated, the costs nd dislocations arising from the l war in the north of the prov- are beginning to cause concern. normal patterns of commerce hin Katanga, and between Ka- ga and the rest of the Congo, e been disrupted. It is reported Katanga may follow the lead he other provinces and the cen- government in Leopoldville in pting a policy of financial terity.

neral Production Steady

On the other hand, mineral pro- ction in the Katanga during 1960 s scarcely affected by the post- ependence disturbances. Union nière du Haut-Katanga reports se production levels for 1960 as npared with 1959:

	1959	1960
pper	280,403 tons	300,704 tons
oalt	8,431 "	8,240 "
c concen-rates	118,000 "	192,000 "
manium	13,643 kilos	26,100 kilos
er	148,307 "	124,000 "
nium oxide	2,110 tons	1,079 tons
lmium	214 "	99 "

Copper production rose over the ar, despite deliberate cutbacks ring the fourth quarter with a w to improving the world price copper.

nadian Trade

Direct Canadian trade with the ngo rose to nearly $5 million in 59 from $4 million in 1958 but by October 1960 had fallen to about $3 million. Exports from Canada ($2.9 million in 1958 and $2.7 million in 1959) dropped to $1.31 million last year. Imports into Canada from the Congo are more difficult to assess. Direct imports in 1958 totalled $1.2 million, in 1959, $2.3 million, and as of October 1960, $1.6 million. But these figures do not include Congo exports which come via Belgium, either by immediate re-export or after some degree of processing. For example, Canada's imports of "unset diamonds" and "tin blocks, pigs or bars" from Belgium presumably originated in the Congo.

Our chief export to the Congo is flour—30 per cent of the total in 1958 (when flour sales were recovering after a sharp drop in 1957) and over 50 per cent in 1959, when they rose to almost $1.4 million. In 1960 flour bulked even larger, with sales valued at $864,000, or over 65 per cent of total Canadian exports to the Congo.

Other leading exports in 1960 included machinery and parts n.o.p., pneumatic tires, gasoline and oil stoves, crude asbestos, newsprint paper, bookkeeping and calculating machines and parts, lamps and lanterns, plastics, synthetic rubber, sparkplugs, and sardines. But the total value of Canadian products exported to the Congo, other than flour, was considerably lower in 1959.

The principal products imported directly into Canada from the Congo are green coffee, manganese ore, black tea, palm and palm kernel oil, veneers of rosewood and other tropical woods.

Import Control

The import controls imposed in August 1960 have been revised frequently. For a time, an extensive list of prohibited imports was established but this was recently withdrawn. It is noticeable, however, that goods formerly on this list seldom receive licences. On December 7, 1960, the Government authorized import without licences of all goods for which payment may be made only in local currency.

The import of goods for which foreign exchange is required is subject to the following procedure:

1. The importer requests a pro forma invoice from the exporter.

2. This invoice is presented to the importer's bank and he deposits 20 per cent of the value of the goods.

3. The bank forwards the application for the licence to the Commission de Change.

4. In due course the licence is granted or refused. If it is granted, the goods may then be shipped. The 20 per cent deposit is frozen until the decision of the Commission is announced.

Exporters will appreciate that this deposit, plus the establishment of the confirmed letter of credit now advisable in trading with the Congo, ties up much of the importer's capital for extended periods.

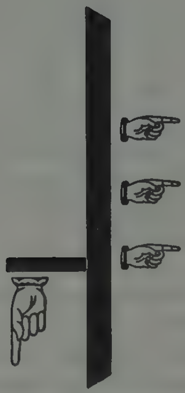
Generally speaking, licences are being granted for essential foods, fuels and spare parts. Flour import licences have been curtailed because of the distribution of flour ground at Casablanca from a gift shipload of Russian wheat. This amounted to 140,000 bags; some 40,000 are still being handled.

Visiting the Congo

Businessmen who wish to visit the Congo should go to the two main commercial centres, Leopoldville and Elisabethville in the Congo Republic, and perhaps to Usumbura in the Belgian trust territory of Ruanda-Urundi. These places are quite safe. The smaller cities would not at present justify a visit.

Access to Leopoldville, Elisabethville and Usumbura is simple by air services from Europe. Leopoldville may also be reached directly from New York and West Africa. Internal air transport is reliable and fairly frequent, although aircraft are occasionally requisitioned for troop movement and other government business. Hotels are good but very full and reservations cannot be guaranteed on short notice. Information about the documents needed and the formalities for visiting the Congo can be obtained from the Consular Division, Department of External Affairs, Ottawa.

Endowed with great natural resources and an active population, the Congo is potentially a wealthy and prosperous country. It is hard to estimate how long it will be before these assets will again be used
to the full. For the present, Ca
dian exporters represented in
Congo should encourage their age
as much as possible and maint
their interests there. Firms wish
to begin business, however, can
pect many frustrations before t
become firmly established. ●



Advertising Abroad

In Singapore and Malaya, newspaper advertising best reaches the literate consumer in the cities; short films of products in use influence lower income groups in rural areas.

KEITH O. HILLYER, *Assistant Trade Commissioner, Singapore.*

IN Singapore and the Federation of Malaya, advertising has become the key to stable and expanding markets for consumer goods. Canadian exporters to these markets are discovering that their buyers are increasingly brand conscious. Competitors from around the world are wooing them through extensive promotion campaigns. If the Canadian product is to remain on the retailer's shelf, the exporter must foster consumer demand through advertising.

Languages and Literacy

Advertising in Malaya should prove challenging to the Canadian exporter. He will face problems different from those in the home market, because the Malayan buying public is partly illiterate and multilingual. But the Canadian firm experienced in advertising in Canada in two languages will have little difficulty in Malaya in coping with four—Chinese, English, Malay and Tamil.

The Malayan consumer may speak any one or more of these four main languages. The last census (1957) gives the population of Singapore as 1.4 million and of the Federation of Malaya as 6.3 million. In Singapore, over 75 per cent of the population are Chinese, 13 per cent Malays, 8 per cent Indians and the remainder European or of other racial origin. In the Federation, 50 per cent are Malays, 37 per cent Chinese, 11 per cent Indians and the remainder Europeans or others.

English and Chinese are the m
important languages for advertis
because they reach the segment
the population with the largest p
tion of the national income. Ta
is important in the rural areas
the Federation, where a large p
centage of the plantation work
are of Indian extraction. This sit
tion may change shortly beca
both the Federation and Singap
have established Malay as the
tional language and its increas
use must be recognized in plann
advertising in this market.

Another problem confront
local advertisers is reaching th
who are illiterate or not econo
cally active. Approximately 53
cent of the entire Pan-Malay
population is under twenty years
age and only 34 per cent particip
in buying and selling. Advertis
agencies estimate that only 35
cent of the population in Singap
and the Federation of Malaya c
ten years of age is literate.

Although the Canadian adver-r may expect more problems in market, he has a wide choice media through which he can ch each segment of the popula-n.

wspapers and Magazines

Newspaper advertising, because its appeal to the middle and er income groups and because it rs national coverage at low cost, considered by most advertisers best medium for obtaining ximum coverage of the more histicated urban communities at imum expense.

n Singapore and the Federation Malaya, the advertiser can make choice of 19 daily papers with estimated combined circulation 391,000. Six of these dailies are ionally distributed and have a nbined circulation of 268,517. e four English and eight Chinese ers are the most widely read. hers are printed in Malay and nil.

Fifteen separate Sunday news-ers with a combined circulation 422,852 are published each week. en of these are national papers l are the most widely read; two in English, two in Chinese, two Malay and one in Tamil.

In addition to daily newspapers, over 120 weekly, fortnightly, monthly or annual publications are printed; they have a combined circulation of over 928,000. The majority are in English, and they cover a wide range of specialized fields, from films to engineering equipment.

Screen Advertising

Because movies are the most popular form of entertainment in Singapore and the Federation of Malaya, theatre advertising is an excellent answer to multilingualism and illiteracy. All the principal cities have large comfortable air-conditioned cinemas and practically every small town or village has at least one small theatre. In all of these, advertising films are displayed for ten to fifteen minutes before the presentation of the feature. Most of these ads are full-colour movie productions, show the product in use, and last several minutes.

Out of a total of 307 theatres showing English, Chinese, Malay and Indian films, 119 have published weekly attendance figures that total over 890,000. Through screen ads, advertisers can obtain either national or regional coverage. The theatre can offer a fine degree of selection of audience, regardless of their language, and is highly effective in reaching lower income groups in rural areas, many of whom are illiterate. Movie advertising has proved particularly valuable in programs testing the effectiveness of special ads, as it permits definite selection of a test group by language or income level, avoiding waste coverage of other groups whose inclusion would distort results.

Advertisers will find film companies in this area well equipped to prepare screen ads of excellent quality. Although in the past film commercials prepared overseas have been used, agencies now advise that, to ensure maximum acceptance by local consumers, the product be displayed in familiar surroundings portrayed by local artists.

Radio, Rediffusion and TV

Commercial radio broadcasting in Singapore was begun by the government station—Radio Singapore—on July 31, 1960. Programs are broadcast in English, Chinese, Malay and Tamil. Latest statistics show that there are 102,000 licensed radio receivers in Singapore and as Radio Singapore claims six listeners per set, this means an estimated total audience of over 600,000. Half of this audience is under 18 and 55 per cent is Chinese.

Rediffusion, a commercial service distributing radio programs by wire to pre-tuned receiving sets at a small cost to the subscriber, is available in Singapore, Kuala Lumpur and Penang only (the three principal Pan-Malayan cities). It does not provide national advertising

QUAK
QUICK COOK
WHITE OA
The Quaker Oats Company

The local agent for a Canadian product recently introduced into the Malayan market uses his delivery vans in Kuala Lumpur for display advertising calculated to catch the customer's eye. Inside, each van houses a small kitchen equipped with a stove, water supply, sink and storage space.

coverage but is useful as a secondary or supporting medium. The majority of its listeners are Chinese. Sets are not distributed throughout the entire town or city but are confined to certain areas, usually the Chinese districts. The latest figures show that there are 46,000 sets in Singapore, 15,600 in Kuala Lumpur, and 10,500 in Penang. Because of its bulk coverage of certain areas, Rediffusion is regarded as a useful medium for reaching those living in the heavily populated districts. A considerable number of sets are found in stores and coffee shops, where they are usually played very loud and are heard not only by the customers but also by the entire neighbourhood. Experience has demonstrated that when general consumer goods (such as soap and toothpaste), consistently and widely advertised in national media, are supported by Rediffusion, demand increases during the Rediffusion campaign.

The Federation Government has stated that it intends to begin a national commercial radio service during the first week of April 1961. The Singapore Government has also announced that it intends to introduce television at the end of 1961 or the beginning of 1962. No statement has been made on whether or not television will be commercial, but in view of the high development and operating costs, it is likely that advertising will be accepted.

Outdoor Advertising

Outdoor advertising in Singapore and the Federation of Malaya—neon signs, billboards and rear bus panels—is usually confined to towns and highway billboards are unknown. Neon sky-signs and billboards in the built-up areas are popular and it is extremely difficult to obtain premium positions along busy thoroughfares. All billboards are painted; posters do not stand up to the tropical sun and rain.

Rear panels on buses operating on town routes are used extensively for 18 hours a day. They offer a fine degree of selectivity and coverage at low cost.

Many distributors take full advantage of their own delivery vans and make widespread use of signs and models to attract attention. A Canadian product recently introduced into this market now is advertised by brightly painted signs on the sides and backs of six delivery vans in Kuala Lumpur.

Various government controls apply to outdoor advertising. All advertisements on billboards and sky-signs must be approved by the appropriate local authority, which also charges a licence fee.

Media of Limited Use

Point-of-sale display cards and direct mail advertising are of limited use here. Most shops are small with few windows and shelf and counter space is usually overcrowded with goods. The majority of retail outlets are reluctant to use showcards or other forms of display because they prefer to use the space for displaying goods. Should the exporter wish to try point-of-sale ads, he usually rents the required space.

Direct mail is not used here as extensively as in Canada because multilingualism means that copy has to be prepared in three or four languages. However, it is useful for promoting industrial and agricultural equipment and similar products among specific groups because of the scarcity of suitable technical media.

Advice to Advertisers

To be effective, local advertising must be as simple as possible and the more sophisticated style often used in Canada avoided. Local advertisers find that strip cartoons telling a simple story are most effective. Consumers are loyal and conservative in their buying habits and are extremely brand as well as price conscious. Symbols of prestige and claims of health-giving qualities are the two advertising gimmicks highly successful here.

There are some 14 advertising agencies in Singapore and the Federation of Malaya and most
equipped to provide a comp
advertising service—from me
selection through to final artw
and engravings. Marketing and m
chandising aid, and limited mar
surveys, can be provided for clie
on a fee basis.

Two associations which Canad
exporters would be wise to cont
before deciding on an advertis
campaign are the Malayan Adv
tisers Association and the Assoc
tion of Accredited Advertis
Agents in Malaya. The first cons
of more than 90 local firms and lo
offices of overseas companies adv
tising in the area. The latter consi
of the 14 active agencies. The t
are combining efforts to improve t
standard and quality of advertisi
They jointly maintain committe
concerned with the major advert
ing media and have produc
informative descriptive booklets
valuable to the Canadian executi
who wants to get the greatest retu
for his advertising dollar.

These and other sources of info
mation and statistics are availab
in the office of the Canadian Go
ernment Trade Commissioner
Singapore. The Canadian firm whi
wants either to obtain or retain
share of this highly competitive ma
ket would be wise to earmark
portion of its advertising budget f
use in Singapore and the Federati
and to contact the Trade Comm
sioner in Singapore, who will
pleased to provide lists of agenci
or any other market information.

Ostrich Farming Recovers

Ostrich farming in South Africa
recovering from the bad effects of spec
lation and uncontrolled marketing. O
trich products are now marketed throu
one channel and stability has returned
the industry. Slaughterings totalled on
3,486 in 1959, compared with the 12,0
birds normally killed each year in t
last few years, according to P. Gre
Secretary of the Little Karoo Co-oper
tive at Oudtshoorn. Ostrich feathe
brought in £122,000 in 1959 and we
expected to do better in 1960. Skins a
biltong (strips of sun-dried meat) re
ized £33,600.

How to Travel in Eastern Europe

ry personal salesmanship if you want to win customers in astern Europe. A trip to these countries isn't difficult to rrange, especially if you follow the advice and ask the ssistance of our Vienna office.

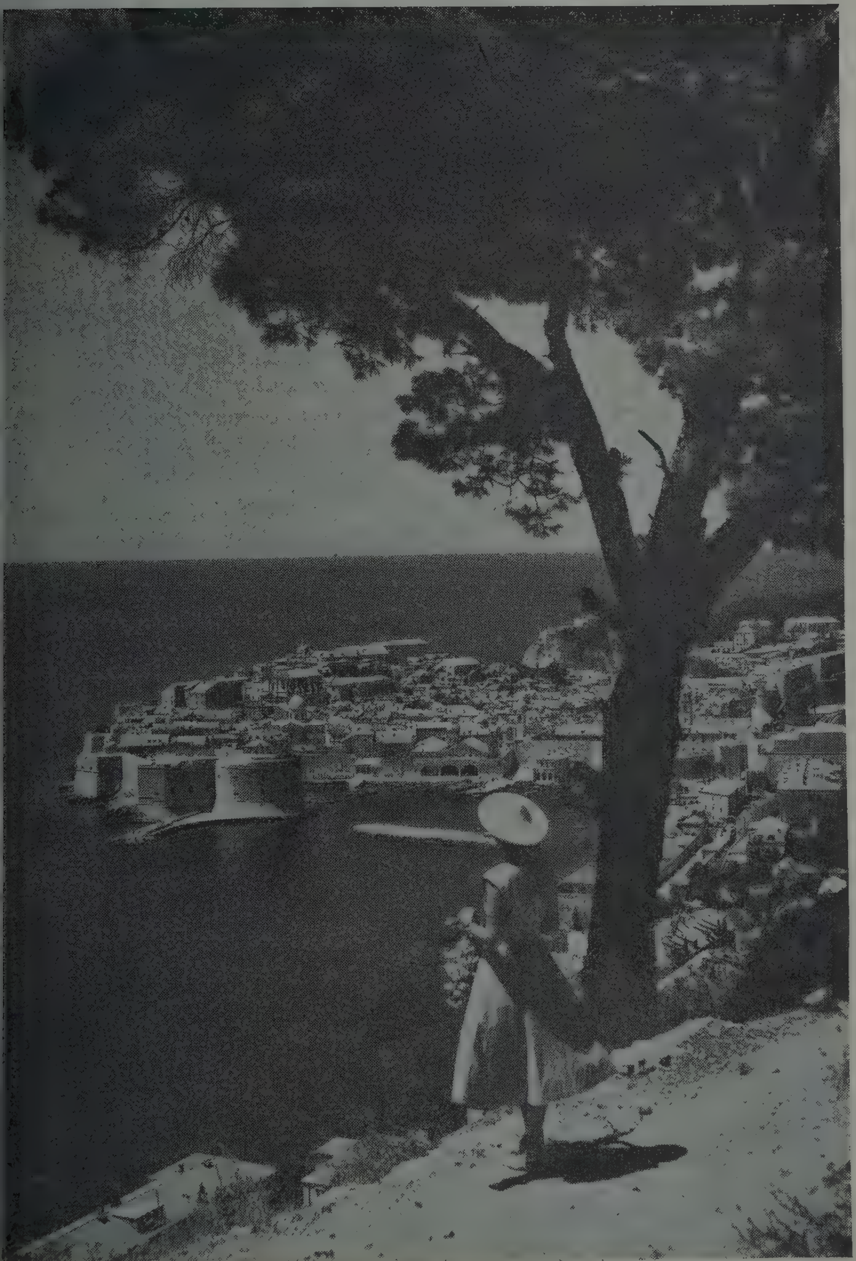
R. K. THOMSON, *Commercial Counsellor, Vienna.*

CANADA'S increasing trade with a number of the Communist countries of Eastern Europe has demonstrated to our exporters that these countries represent worthwhile markets as well as sources of imports. More and more Canadian businessmen, both buyers and sellers, are visiting or planning to visit some of these countries. The purpose of this article is therefore to provide information which may help Canadian visitors in making plans for travel in Eastern Europe.

It is the experience of many Canadian businessmen that personal salesmanship is the key to successful selling in Communist Eastern Europe. On-the-spot salesmanship can be as effective there as it is in the home market. Selling by correspondence, rarely effective anywhere under the best possible conditions, is even less so in Eastern Europe, where salesmen from all countries actively compete for the large market for many types of products. Similarly, negotiations for imports can be more effectively conducted on the spot.

Visitors Welcomed

In general, Canadian businessmen can expect a friendly welcome from the traders of these countries, all of whom are interested in finding markets for their products and in learning of new and competitive sources of supply for imports. Moreover, they are keenly interested in expanding foreign exchange earn-



A visitor looks down on Dubrovnik, Yugoslavia, one of the oldest cities on the Dalmatian coast. Yugoslavia offers more than highly rated tourist attractions: it also offers opportunities to sell Canadian goods.

Prague's famous castle, the Hradcany, and the bridge over the Charles River in the heart of the Czechoslovak capital. Canada sold $6.7 million worth of goods to Czechoslovakia last year and this figure might well be increased if Canadian exporters cultivate this market personally.

ings through the tourist trade; this is reflected in the increasing and improved services offered foreign visitors, such as hotel accommodation, travel and other facilities. With few exceptions, travel formalities are limited and pose no real problem. As for language barriers, Canadian visitors will find that most of their business contacts speak English or that interpreters are easily secured. At airports and hotels, one can invariably find personnel speaking English or French.

Canadian visitors will find much of interest in these countries, apart from business. Moreover, in these days of unsettled international relations an opportunity to observe the way of life and methods of doing business under a Communist Government cannot fail to attract alert Canadians.

Methods of Trading

The countries covered in this article are Czechoslovakia, Hungary, Rumania, Bulgaria and Yugoslavia—all of which come within the territory of the Vienna office of the Canadian Trade Commissioner Service. Canadian exports to and imports from these countries in 1960 were:

	Exports to (twelve mos.)	Imports from (ten mos.)
Czechoslovakia	6,766,857	5,182,364
Hungary	931,363	269,232
Yugoslavia	3,249,369	536,033
Rumania	1,325,956	82,464
Bulgaria	491,180	4,753

A few words about the system of trading in these countries might be appropriate. In Czechoslovakia, Hungary, Bulgaria and Rumania all trade is centralized in the hands of a small number of large trading enterprises—one for each product group—almost invariably located in the capital city. For example, in each country the import and export of all chemical products is controlled by one state-owned trade corporation. In Yugoslavia the system is somewhat different and in each product field several state-owned trading companies operate. These are usually located in different cities.

The foregoing explains why a visit to Prague, Budapest, Sofia or Bucharest would, initially at any rate, suffice to discuss business. In Yugoslavia, a Canadian business man might also consider it desi able, in order to visit a number o participants in a given field, to g to Zagreb as well as Belgrade. Nor mally the principal points o business contacts are the tradin enterprises but, depending on th product, it may be advisable t contact end-users also. This can b achieved sometimes by prearrange ment with the trade enterprise con cerned.

Securing a Visa

When arranging an itinerar covering one or more of these coun tries, the first problem is that c visas, necessary for travel to a countries. It is well to make appli cation at least four to six weeks i advance of the date of departur For Czechoslovakia, this can b done either at the Consulate-Gen eral of Czechoslovakia in Montre or the Legation of Czechoslovaki in Ottawa. For Yugoslavia, appl to the Consulate General of Yug slavia in Toronto or the Embassy c Yugoslavia in Ottawa. Becaus Hungary, Rumania and Bulgari have no representatives in Canad

application must go to the lega-
ns of these countries in Washing-
, D.C.

The application for a visa should
ecify the points of entry and de-
rture and approximate dates of
it, as well as the method of
vel to be used. It is always wise
carry extra passport photos. If
ere is some urgency about obtain-
a visa, the Office of the Com-
ercial Counsellor for Canada in
enna may be able to help. All
as for these countries will specify
rder entry and exit points and the
itor should take care that he
es these border points to avoid
nsiderable delay at another port
entry which may not be specified
the visa. In some countries,
ecial exit visas are required—for example, in Bulgaria and Hungary. The visitor should apply for an exit visa at his hotel 24 hours before his departure.

Customs Regulations

All visitors to these countries are subject to normal customs control. Clothes and personal effects in reasonable quantity and intended for the traveller's own use enter duty-free, as do reasonable supplies of liquor and cigarettes. For all countries except one, samples of a non-commercial value are duty-free; for samples of commercial value the visiting businessman must pay a bond or deposit which is refunded to him when he takes the sample outside the country. In Yugoslavia, samples of non-commercial value are dutiable and samples of commercial value also require the deposit of a bond, unless the samples in both cases are mutilated.

Transportation, Hotels

All Eastern European capitals are well served by international and national airlines connecting with principal air centres in Western Europe. Most of them are within a couple of hours or less of such cities as Vienna, Zurich, Frankfurt, Brussels, Paris and London. Journeys to these countries may also be made by road and by rail. Highways in general are fair to good but automobile servicing and the lack of spare parts might create problems.

When he has completed a tentative itinerary and applied for visas, the visitor should consider the question of appointments, accommodation and timing. Here he might seek the advice of the Office of the Commercial Counsellor for Canada in Vienna. The two Trade Commissioners at this post travel frequently in all these countries. They can suggest the length of time necessary for a particular visit, advise on who to see, and also arrange appointments, recommend hotels and give other assistance.

Currency Control

On arrival in any of these countries the visitor will find that customs formalities are relatively easy but he should observe currency regulations carefully. It is recommended that he carry travellers

Beside the chain bridge in Budapest, Hungarians sip their espresso coffee at an outdoor café. Though visitors to Hungary require both entry and exit visas, these are not difficult to secure and contacts made on the spot with the state trading enterprises can prove rewarding in the long run.

cheques in dollars, with a fair amount in small denominations. All foreign currency must be declared at the port of entry and a currency declaration form is provided. This must be presented to an authorized currency exchange office when converting foreign currencies into the currency of the particular country. These authorized currency exchange offices are located in principal hotels and banks and at airports. On leaving the country, foreign funds must again be declared and must correspond with the amount listed in the currency declaration form, less any shown on the form as having been converted during the visitor's sojourn. It is as well to ensure that little or no currency of the country remains on departure and it is for this reason that travellers cheques in small denominations are useful. No currency of the country being visited may be brought in by the visitor, with the exception of Yugoslavia which permits the traveller to have in his possession 1,500 dinars in 100-dinar notes.

Shortly after their arrival in any of these countries, Canadian visitors are required to report their arrival and address within the country to the Canadian Legation in Prague or the Canadian Embassy in Belgrade. In Budapest, Bucharest and Sofia, the visitor reports to the British Legation.

Business Hours, Services

Generally speaking, office hours in these countries correspond to those in Canada except for Yugoslavia, where appointments after 2 p.m. are rarely available. Transportation within the cities presents no particular problem and can be arranged by the hotel or by the trading corporation to be visited. In most hotels the hotel "portier" is a very useful man—he can arrange taxis or other transport, recommend restaurants and amusements, arrange tickets for theatrical or musical performances, dispatch mail and cables, arrange appointments and assist in other ways. Usually he speaks an impressive variety of languages. The local state tourist agencies are also helpful in making or changing air or rail reservations.

Normal hotel services are available, although laundry and pressing are not always done as speedily as the traveller might wish. Visitors may want to try the cuisine of the country in a variety of local restaurants. (Here it might be mentioned that tipping, although officially discouraged, should by no means be omitted.) The cost of accommodation is reasonable by Canadian standards, but meals (and particularly such usual foods as citrus fruits, breakfast foods or orange juice) are relatively expensive. On the whole, however, funds required are little more than for a business trip to the United States, for example. Various rates of exchange apply, although the normal
rate for tourists is usually doub
the official rate. These exchan
rates, however, do not apply to bu
ness transactions; f.o.b. and c.i
prices in dollars should be quote

In summary, travel in the cou
tries mentioned in this article pos
no real problems for the Canadi
businessman. Facilities and acco
modation are fair to good in
principal centres, even though th
may not reach the best Nor
American standards. The Canadi
business visitor should find the co
mercial contacts made and inform
tion secured by a visit to Easte
Europe serving him well in t
future. From its personal experien
in these countries, the office of t
Commercial Counsellor, Canadi
Embassy, Vienna, is prepared a
willing to assist Canadian busine
visitors in planning a journey
this part of the world. ●

One Million U.S. Prefabs

BEFORE 1960 was over, the manufactured housing industry in the United States had produced its one-millionth house. In 1959, one out of every ten homes was prefabricated. Despite a nation-wide drop in residential housing starts, they continued to increase their share of the total housing market. During 1960, the proportion jumped to one in eight, according to estimates. (In some cities close to centres of the prefab industry, they are expected to account for 50 per cent or more of new home construction.) Officials predict that sales of packaged houses in 1961 will reach 150,000.

In addition to the usual features—such as quality-controlled materials, advanced design, shorter erection time, precision construction and cost control—the industry is stressing new design and a wider range of prices. It is appealing to both the mass market and the top range. Houses for the second group provide greater floor space; two-storey and split-level models are increasingly popular.

Earlier prefabs cut costs in the basic structure of the house; now other factors are receiving similar scrutiny.
Savings are being made through p
fab plumbing, prefab cabinets, a
interior and exterior finishes.

Over the years, the industry h
emphasized quality as a decisive f
tor in sales. Manufacturers are c
tinuing to insist on, and to get, t
grade materials. They purchase th
lumber requirements from who
salers, from brokers or direct fr
mills, but by whatever means th
insist shipments meet specifications.

Canadian lumber exporters shou
make sure that their present exp
sales distributors do not overlook t
large and increasingly important m
ket. One firm, National Homes C
poration, produces 20 per cent of
prefabs, but there are approximat
300 firms that manufacture packag
homes in Canada and the Unit
States. They sell to an estimat
10,000 builder-dealers.

Lists of principal companies c
be obtained from the office of t
Canadian Trade Commissioner
Chicago, which welcomes inquiries

—H. J. HORNE,
Consul and Trade Commission
Chicago.

As the Businessman Sees It

Merchandising is the Answer

Nathan Bruker, export manager for North-Rite Limited, has selected and stimulated a sales force that is selling ballpoint pens in overseas markets against rugged competition. Recently he discussed his successful formula with the editor of *Foreign Trade*.

O you want to sell a consumer roduct in foreign countries? Afraid iat you can't stand up to the cometition?

Try aggressive, imaginative merhandising.

That's the advice of a Montreal xport manager, Nathan Bruker. ecause he is successfully selling allpoint pens in markets scattered cross the world, it's obviously a ested and tried recipe for exporting.

When he first enters into negotiaons with a potential overseas disibutor for his company, Northite Limited, Bruker makes his ales philosophy clear: "We're not nterested in you if you're only inerested in price. But if you're lookng for a chance to use your nagination and merchandising bility in selling a quality product, hen you're the man we want. orth-Rite has the largest ballpoint en plant in Canada and has capured a good share of the competiive Canadian market. You too can nake money—and build plenty of epeat business—by handling our ne of pens."

He admits that in pushing a prodct like ballpoint pens—there are everal hundred firms turning them ut in North America alone—probem one is getting them onto the etailer's shelves. To convince poential distributors of the possibilies of the North-Rite line, he sends ut kits with samples of the pens themselves, catalogues, price lists, and display cards.

Helping the Agent

Bruker makes clear that the company's motto is "Help us and you help yourself." His most potent argument for taking on the line is the continued sales and advertising assistance that North-Rite gives its distributors. With his first shipment of pens the distributor receives the promised sales aids and from then on he is kept generously supplied. Outstanding among these aids are the unit displays: for example, the "picture frame" model that contains 101 ball pens and refills of various types and can be either hung on the wall or placed on a counter. Ingeniously designed, it has proved equally useful in Canada and in foreign countries. It contains no text except the names of the pens and underneath these, spaces where the agent can put the selling prices in his territory. The unit also fits nicely into the limited counter space that many retailers have, without losing its sales appeal.

With point-of-sale advertising goes advertising in newspapers and magazines, on radio and in cinemas. North-Rite shares advertising costs with its distributors; they each receive an advertising allowance in proportion to their sales, calculated against vouchers. If the distributor wishes, advertising mats (usually illustrations only, leaving space for him to supply his own text) are sent to him. But if he wants to strike out on his own or try a different medium, he finds the company willing to co-operate. "Discuss it with your advertising agency," he is told, "get the plates made, and we'll pay our share."

Premiums Pay Off

The premium contest so popular in North America enters into North-Rite's export strategy too, and the incentive which the prizes provide in certain foreign markets is probably even greater than in Canada. The company plans contests to coincide with periodic promotions and distributors' salesmen earn premium points with each sale. Prizes include shirts, clock or transistor radios, floor polishers, movie cameras and projectors, Polaroid cameras and portable television sets. The company keeps distributors completely informed about the details of each contest and assists in adapting each to conditions in particular markets.

Keeping in Touch

No North-Rite agent is ever left in splendid isolation. Hot from the export manager's desk in Montreal he receives sales letters, sales briefs, and other reminders of the company's persistent interest and help. A recent letter, signed by an advertising official of the *Toronto Star Weekly,* included a picture of Bruker and enclosed a proof of an ad in colour for the "Fiesta" pen currently running in the *Star Weekly*. Attached to the letter was a memorandum from Bruker:

"Please consult with your own advertising agency to see how a similar program can be developed for your market. Your own newspapers will no doubt co-operate . . . in developing a special letter on which could appear the photographs of your own sales representatives for the North-Rite line.

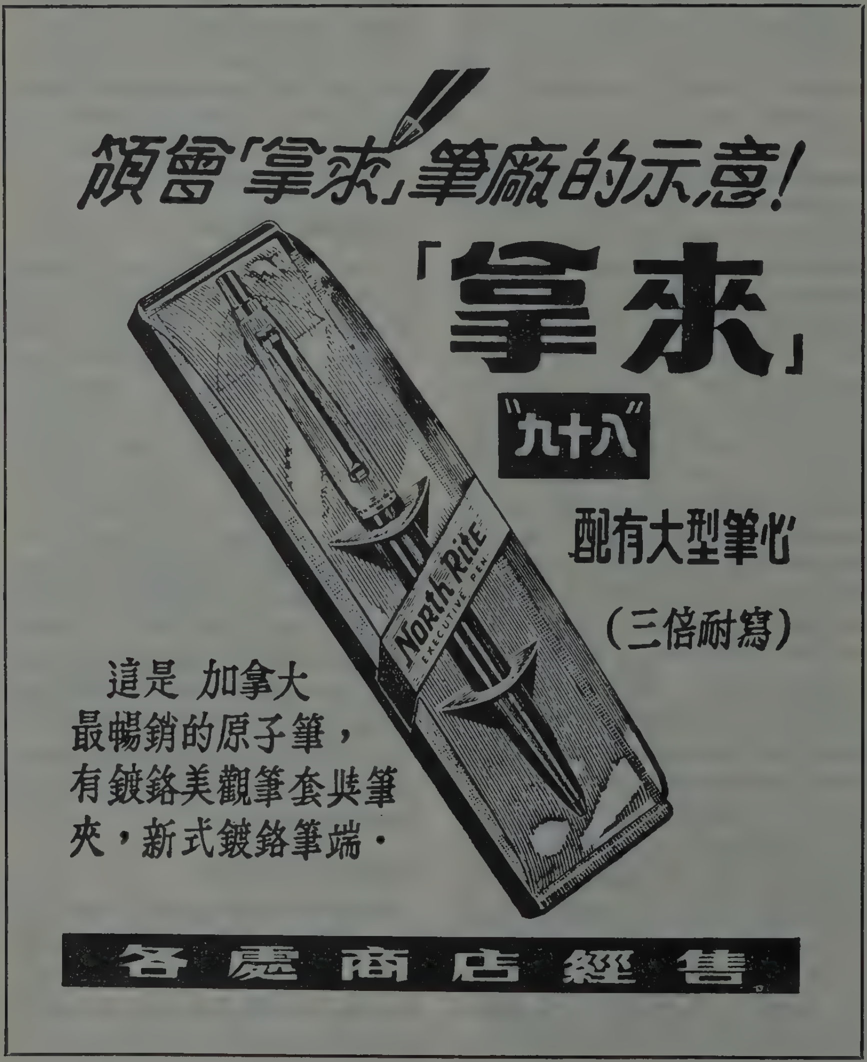
"If you will let us have detailed cost estimates for such a program in your own market, we will be only too happy to determine the degree of co-operation we can extend."

The flow of correspondence between the sales manager and his widely dispersed sales force is not entirely one-sided. A North-Rite agent is expected to report to Bruker once a month or at least every two months. This applies even when the record is disappointing; "If you are not selling," says Bruker, "tell us why." Sometimes the company enlists the aid of the Trade Commissioner to call on a sluggish salesman and discover what is wrong. (It may simply be that the agent is handling too many lines.) Every agent's sales figures are analyzed carefully and, where necessary, help and advice offered. Onl after every remedy has faile does North-Rite reluctantly chang agents.

North-Rite expects a good dea of its representatives but offers firs class service in return. Their letter to head office are always answere quickly and completely. Complaint get immediate attention; if certai merchandise is found unacceptable replacements are sent at once, b air. This procedure is vital, say Bruker, when you are managing sales force at long range.

Selecting Winners

Basic in North-Rite's export success is careful initial selection of it overseas sales force. The numbe one requirement is initiative, plu the capacity to recognize opportunities when they present themselves. Before taking a man on Bruker looks into his credit rating his reputation in the community and his commercial contacts. To d this, he checks with the banks, th Trade Commissioner, and possibl with Canadian companies which th prospective distributor already represents. North-Rite's prices ar f.o.b. Montreal unless the buye specifically asks for c.i.f. quotations It does, however, vary the terms o payment with the market and conditions at the time—from cash letter of credit to 60 to 90 days So far, Bruker points out, the com-



領會「拿來」筆廠的示意!

「拿來」

“九十八”

配有大型筆心

(三倍耐寫)

這是 加拿大
最暢銷的原子筆，
有鍍鉻美觀筆套與筆
夾，新式鍍鉻筆端·

各處商店經售

North Rite
EXECUTIVE PEN

This advertisement appeared in the Straits Times *of Singapore; brough the North-Rite distributor there larger sales. The illustration was supplied from Canada and text added in Singapore; exporter and salesman shared the production costs through an arrangement worked out between them.*

ny hasn't lost a nickel in bad edit.

etting Started

In pushing the sales of ballpoint ns, Bruker is making good use the knowhow he acquired in the rly postwar years as export man- er for Dominion Foils (later uminum Rolling Mills). In this sition he travelled widely, made any Canadian and overseas con- cts, and stored up the knowledge out foreign markets that is prov- g so useful today. When Reynolds luminum bought Aluminum Roll- g Mills, Bruker set up his own m to provide export and import anagement services for small and edium-sized firms.

Not long after, he received a lephone call from the sales man- ger for North-Rite. Conscious that ly by turning out pens in large olume could North-Rite offer con- umers quality products at reason- ble and competitive prices, the ompany wanted to increase its les by tapping export markets. ould Bruker do the pioneering r them?

Undismayed by the fact that ome manufacturers were selling allpoints to foreign customers at fraction of North-Rite's prices, ruker began with basic market re- earch. First he obtained figures on xports of ballpoint pens from the nited States and picked out the ost promising markets. In each f these, he secured names of good rospective agents. To them, he sent its containing samples of the var- ous North-Rite pens (taking care exclude any persons who seemed be merely professional collectors f samples), catalogues, price lists, nd sales literature. In his accom- anying letter, he stressed that the ompany wasn't interested in simply etting distribution but wanted real erchandisers, anxious to get long- erm business.

His export campaign, he admits, ot off to a slow start as he set bout overcoming distributor reluc- ance to take on a new line. But gradually it gathered steam. Some unexpected developments helped it along. One distributor, for example, in a market that had been producing about $200 worth of orders in a year, paid a visit to Canada and was invited to tour the North-Rite plant. He emerged so impressed with the meticulous manufacture of the pens and the care taken to turn out models able to stand up under severe tropical conditions that his orders today run to about $10,000 a year. The imprinting of advertising or other slogans on ballpoints, a popular device at the moment, has also helped sales along.

How to Ship

To exporters of products like his own—high-value, small-size consumer goods—Bruker recommends air parcel post or air freight for shipping to most overseas markets. (The greater cost of shipping by air is usually more than offset by the service given to the distributor badly in need of extra stock.) North-Rite uses surface parcel post, air parcel post and air freight for medium-size shipments, and ocean freight for large ones. Experience has shown that air parcel post and air freight charges run to about 10 to 15 per cent of the value of the shipment, and surface parcel post and ocean freight to 5 to 7 per cent.

Scratching the Surface

At the moment, North-Rite is selling its pens in over twenty countries spread across the globe—and Bruker says it is only "scratching the surface." Some markets are currently closed to the company because of import controls but he keeps his eye on these too—against the day when they open up.

Meantime, from his desk in Montreal he continues to dispatch a steady flow of letters, sales briefs, display materials and advertising gimmicks to his cosmopolitan sales force, convinced that clever merchandising and full value for the customer's dollar are the answer to competition anywhere.

His prescription seems to work. ●

Shannon Free Zone Set Up

BEHIND the tarmac at Shannon airport, Ireland, and within easy reach of the new £1 million jet runway, an industrial estate of 250 acres is taking shape. The Irish Government, through the Shannon Free Airport Development Company, is building factories for rent to Irish and foreign industrialists who wish to take advantage of this new development. The estate was opened about two years ago and already nine companies have begun operations there and eleven others are negotiating for space. Included are United States, British, German, Dutch, South African, and Japanese firms, making products as diverse as pianos, precision-threaded fasteners, miniature capacitors, floor-maintenance machinery, textiles, and radio-gramophones.

Shannon became a customs free zone in 1947 and eliminated duties on raw materials or other components entering the area and on manufactured goods leaving it. This means that a foreign manufacturer can rent a modern plant in the zone, bring in raw materials or semi-manufactured products by air or sea, and then export finished goods. Or he can bring in manufactured products in bulk by sea, store them, or label and process them for onward shipment by air.

Combined air/sea delivery is easy to work. The port of Limerick nearby can now handle ships of up to 10,000 tons and work is in progress to develop the port further. On arrival at Limerick, bulk merchandise can be transferred to the airport by road, under bond given by the Shannon Free Airport Development Company. There are also excellent communications between Shannon and other Irish ports. Any of these may be used for Shannon cargo with minimum transfer formalities.

The services that the Shannon free zone provides include ample electricity and water and a good supply of labour, plus factory and warehouse space at low rentals. The buildings are of a standard type, easy to partition as the tenant desires, and with room for expansion. The Irish Government allows exemption until 1983 from income and corporation profits taxes on profits derived from export business, and also makes grants toward the cost and installation of machinery and the training of staffs.

—W. R. VAN,
Commercial Secretary, Dublin.

U.S. Fisheries Products

Supply and Demand

Canada continues to be a leading market for U.S. fisheries products but as a supplier to the U.S. market is meeting stiff competition

JOHN MACNAUGHT, *Assistant Agricultural Secretary, Washington.*

THE U.S. fishing industry continues to improve the quality and variety of its output in response to a discriminating and growing consumer demand for the best possible fisheries products. By applying the technological advances resulting from public and private research, the domestic industry—numbering nearly one-half million operators, processors, merchandisers and servicing elements—strives to retain what it considers a fair share of the growing market. The challenge, however, is proving to be a sizable one.

Although most of the catch is still taken in territorial waters or on the high seas off the United States coast, problems of supply and competition are pushing many commercial fishermen into more distant waters. The industry is also trying to improve its position by seeking relief through tariffs and subsidies, and by searching for new fishing devices. Despite these efforts, several of the principal fisheries are reported to be in serious economic straits.

Industry Problems

The Director of the Bureau of Commercial Fisheries has divided the problem into three broad categories:

1. Supplies of some fish are either scarce or uncertain and do not provide a stable, profitable enterprise.
2. Competition from other domestic protein foods (such as chicken, turkey and certain meat products) has become more pronounced. This has boosted the cost of advertising and promotion and reduced profits of the primary fish producers.
3. Competition from foreign products is becoming acute.

Production Down

Domestic producers are now supplying a smaller portion of the edible fisheries products consumed in the U.S. From 1950 to 1959 the domestic catch of edible fish products declined from 3.3 billion pounds to about 2.4 billion, a drop of 27 per cent. The catch for industrial purposes has increased but its value is always lower and thus the total value of all fisheries products has not kept pace. For example, the 1959 catch increased 8 per cent in volume over 1958 but declined 7 per cent in value.

Imports Up

Contributing further to the difficulties of U.S. fishermen are imports. In 1959, for the tenth consecutive year, imports of fisheries products reached a new high—$366.5 million—or more than was paid for the domestic catch. Of this, products for use as food totalled $311 million, a gain of 95 per cent since 1950.

However, the 1960 season was not entirely disappointing. When final accounting is completed, last year's catch is expected to almost equal the five-year average but will probably be about 200 million pounds below 1959's 5.1 billion pounds. Despite the expected overall decline, the catch for human consumption increased, surprisingly, an estimated 30 to 50 millio pounds. But this is well short of th catches of ten years ago.

Bristol Bay salmon provided on of the bright spots last year. huge run in that region brough Western Alaska fishermen a bonanza of 15 million fish worth dollar apiece. The haddock catc increased too—to 119.2 millio pounds from 112.6 million in 195 The ocean perch catch rose b about 5 million pounds to a tota of 141.8 million pounds. Preliminary figures suggest decreases in th cod, herring and whiting catches.

Industrial Catch

It appears that in 1960, as i 1959, the catch intended for industrial purposes—oil, meal and animal feed—will exceed that taken fo human food, despite the fact that fell below the 2.8 billion pounds o 1959 (a record). Catches of menhaden (a herring-like fish), Alask herring and miscellaneous industria species in New England were smaller last year.

Fishmeal in Trouble

The menhaden fishery in Atlantic and Gulf Coast waters overshadows all others; it contribute over 32 per cent by volume of th total catch. Most consumers hav never heard of menhaden, but processed into fishmeal it is an important constituent of chicken an hog feed. Despite its impressiv growth in recent years, this segmen of the industry is in trouble. suffered a setback recently whe world surpluses caused prices t plummet from $135 to about $9 er ton between September 1959 nd January 1961. After an unsucessful attempt to have quotas set nd tariffs imposed on fishmeal imorts, the menhaden group aproved and will now participate in conference convened by the Food nd Agriculture Organization of the nited Nations, at the request of terested governments. The confernce will consider ways and means stabilizing world markets and of creasing the use of fishmeal prodts by government and industry.

ew England Fisheries

Although some New England sheries interests are looking for nproved conditions this year, the ajor segment of the groundfish ctor is caught in a squeeze; a windling catch, according to some xperts, threatens its existence. Alough the 1960 catch of some oundfish increased over 1959—ddock for example, up 7 million ounds to 119.2 million and ocean rch up 5 million to 141.8 million -the total catch remains at the west level in many years.

rimpers Seek Relief

Shrimp ranks number one in lue of the catch but comprises ly one-twentieth of the total catch volume. The problem is that increasing number of shrimpers e attempting to harvest a fairly able domestic resource and cometition from shrimp fisheries road is mounting. Gross earnings r boat are dropping and imports 1959 set a record high. The instry has therefore sought relief rough the Tariff Commission. The ommission received a directive om the Senate Finance Committee make a study, the results of hich would enable the committee consider proposals for import ntrol on shrimp during the curnt Congress.

A hearing, the second within a ar, was concluded recently and e Commission is due to report its ndings shortly. A number of bills med at restricting imports have been submitted to Congress but no action has yet been taken.

Imports at New High

Active consumer demand and a shortfall in domestic production pushed the value of imports in 1959 to a record high for the tenth consecutive time. At $366.5 million, they gained 12 per cent over 1958 and 85 per cent over 1950. Again the U.S. led the world in imports of fisheries products.

Imports accounted for 67 per cent of U.S. consumption of groundfish and ocean perch fillets and blocks. Frozen tuna imports supplied 50 per cent of the market, shrimp imports 42 per cent, fresh or frozen northern lobster 42 per cent, spiny lobster 89 per cent, canned crab meat 71 per cent, and fishmeal 28 per cent. Canada, Japan and Mexico continued as the leading U.S. suppliers (63 per cent of total imports); in all, 108 countries shared the market. Canada again held first place. She supplied a wide range of products valued at nearly $102 million at port of shipment. But imports from Japan are steadily rising and may soon surpass Canadian supplies.

Imports in the first eleven months of 1960 fell by about 300 million pounds from the total for the same period in 1959; groundfish fillets (cod and related species) salmon and tuna were among the species showing a decline. Reflecting a changing pattern of imports between groundfish fillets and blocks, the former declined by 36 per cent during the first ten months compared with the same period in 1959. By contrast, groundfish block imports were 32 per cent higher.

U.S. Exports

United States exported more fisheries products in 1959 than at any time since 1947; at $44.2 million they exceeded 1958 exports by 43 per cent but fell 16 per cent below the 1947 peak level. The United Kingdom was the best foreign customer, taking products valued at $8.9 million. Canada, another leading market in recent years, trailed only slightly behind the United Kingdom. In 1959 she purchased $8.6 million worth of U.S. fish products, including canned, fresh or frozen shrimp, oysters, and oils. The Philippines, the third best customer, took California sardines, canned salmon, canned squid and other products valued at $5.6 million. Europe as a whole was the leading market, buying more than the total value of sales to the rest of the world. The European market is based mainly on two commodities: fish oil and canned salmon.

General Situation

The wholesale price index for edible fisheries products in November 1960 climbed 8.9 per cent from the same month a year earlier and all items in the index registered higher prices except frozen halibut, fresh haddock fillets and canned Maine sardines. Prices of haddock fillets continue to strengthen from the low level of mid-1960 and ocean perch fillets began rising at the beginning of the fourth quarter of 1960 and should be steady during the first quarter of 1961.

Cold storage holdings on December 1, 1960, totalled 231.5 million pounds, about 3 million pounds less than the 1959 figure but almost 23 million pounds more than in December 1958. Holdings of flounder, fish sticks and portions, sable fish, salmon, whiting and most of the shellfish species had also risen. Blocks and slab holdings fell.

The per capita consumption of edible fisheries products in the United States stands at 10 to 11 pounds per year, little changed from recent years. Although it is impossible to forecast accurately what the figure will be some years from now, the rise in population will influence fish consumption. In the next 15 years the population of the United States is expected to increase by one-third and if recent trends continue, this increase will create a correspondingly greater demand for fisheries products, domestic or foreign. ●

FOREIGN TARIFFS AND TRADE REGULATIONS

Cuba Revamps State Trading

THE Canadian Trade Commissioner in Havana reports that, under a series of laws dated February 23, 1961, Cuban Ministries concerned with commerce and industry have been reorganized.

BANCEC (Bank for Foreign Commerce of Cuba), which has been the sole importer of all goods entering Cuba, has been absorbed by the Ministry of Foreign Commerce, which will now be in charge of all aspects of Cuba's foreign trade. Under the law, the Minister of Foreign Commerce has established three "Empresas" or agencies: The Empresa Cubana de Exportacion, the Empresa Cubana de Importacion and the Empresa Cubana de Trafico y Flete (Traffic and Freight Agency.) These Empresas are situated at Infanta 16, Havana, the same address which BANCEC had, and they now assume the commercial activities, as well as some of the capital, of that defunct organization. Thus, under the general guidance of the Ministry, they will carry out the actual import and export transactions of Cuba. It is stated that the Empresas are legally independent units and the Ministry will assume no responsibility for any obligations which they contract.

The collecting and supervisory functions of the Customs House, and all the personnel of the Customs have now been transferred from the Ministry of Finance to the Ministry of Foreign Commerce. However, the export-import operations of the Empresas are exempt from the import duties or export taxes formerly payable by firms or organizations engaged in foreign trade. Instead, the Government will collect as revenue t difference between the cost and the selling price goods imported or exported. The Cuban Customs Tar ceased to have any large effect as of the time th BANCEC was made the sole importing authority, ar these new provisions appear to eliminate the tariff f all practical purposes.

In the field of domestic commerce, it is provided th the Ministry of Industries will henceforward direct t country's industrial development policies, as well manage all state industries. As the Ministry of Agricu ture was dissolved recently, one of the effects of t new reorganization is to require the National Institu of Agrarian Reform (INRA) to concentrate agricultural matters. The Banco Nacional is longer concerned with foreign trade and, instead, will concentrate on the banking field. All banks Cuba are now operating as agencies of the Ban Nacional.

The old Ministry of Commerce has been replaced the Ministry of Internal Commerce. It will direct commercial concerns established, nationalized governed by the State, such as the department store grocery chain stores, drug stores and food distributo Previously, these were administered by INRA. T Ministry of Internal Commerce will also be concern with domestic price controls, the adequate supply foodstuffs and consumer goods, and weights, measur and standards, etc.

Brazil

FISCAL DOLLAR RATE INCREASED—In a move to bring the conversion factor for the calculation of import duties more into line with the rise in current exchange rates, Brazil has increased the "fiscal dollar" rate to 222.51 cruzeiros per U.S. dollar for the month of March 1961.

Under the Brazilian system of multiple exchange rates whereby the cost of foreign exchange ranges from 100 cruzeiros per U.S. dollar for a few privileged goods to about 650 cruzeiros per U.S. dollar for goods considered unessential, the "fiscal dollar" rate is used by the Brazilian customs authorities to establish the cruzeiro value of imports for duty purposes. According to the Brazilian tariff law, it is fixed monthly by the Brazilian authorities and for the past few months has stood at 174 cruzeiros per U.S. dollar.

This new fiscal dollar rate of 222.51 Cr. will increa the customs charges on imported goods by about per cent. The rates of duty in the Brazilian tariff, ho ever, remain unchanged.

United States

TARIFF COMMISSION TO INVESTIGATE IM PORTS OF CREEPING RED FESCUE SEED—Ha ing found in the course of the peril point investigati under Section 3 of the Trade Agreements Extensi Act of 1951, that an increase in duty or addition import restrictions on the article described below a required to avoid serious injury to the domestic indu try producing the like article, the United States Ta Commission, in accordance with section 3(b)(1) of t

id Act, instituted an investigation on March 3, 1961,
ursuant to Section 7 of the said Act, for the purpose
determining whether such article is, as a result, in
hole or in part, of the customs treatment reflecting
e concessions granted thereon under the General
greement on Tariffs and Trade, being imported into
e United States in such increased quantities, either
tual or relative, as to cause or threaten serious injury
the domestic industry producing the like product.

The imported article covered by this investigation
creeping red fescue seed, provided for in paragraph
63 of the Tariff Act of 1930.

A public hearing in connection with this investiga-
on will begin at 10 a.m., e.d.s.t., on June 27, 1961,
the Hearing Room, Tariff Commission Building,
ighth and E Streets, N.W., Washington, D.C. Inter-
ted parties desiring to be heard should write the
cretary of the Commission at least five days in
lvance of the date set for the hearing.

ARIFF COMMISSION INVESTIGATION OF IM-
ORTS OF ALSIKE CLOVER SEED—Upon appli-
tion of Oregon Alsike Seed Growers, and others,
ceived February 6, 1961, the United States Tariff
ommission, on February 13, 1961, under the
thority of Section 7 of the Trade Agreements Exten-
on Act of 1951, as amended, instituted an investiga-
on to determine whether alsike clover seed, provided
r in paragraph 763 of the Tariff Act of 1930, is, as
result in whole or in part of the duty or other customs
eatment reflecting concessions granted thereon under
e General Agreement on Tariffs and Trade, being
ported into the United States in such increased
antities, either actual or relative, as to cause or
reaten serious injury to the domestic industry produc-
g like or directly competitive products.

A public hearing in connection with this investiga-
on will begin at 10 a.m., e.d.s.t., on June 6, 1961, in
e Hearing Room, Tariff Commission Building, Eighth
d E Streets, N.W., Washington, D.C. Interested
rties desiring to be heard should write to the Secre-
ry of the Commission at least five days in advance
the date set for the hearing.

The application filed in this case is available for
blic inspection at the office of the Secretary, United
ates Tariff Commission, Eighth and E Streets, N.W.,
ashington, D.C., and at the New York office of the
riff Commission, Room 437 of the Customhouse,
here it may be read and copied by persons interested.

est Germany

ORE IMPORTS LIBERALIZED; FROZEN
RUITS, VEGETABLES FREED—The Federal Re-
blic of Germany has expanded and consolidated its
t of goods which are free from import restrictions.
he new list reduces to eight the number of industrial
oducts subject to import limitations, and adds to the free list 27 agricultural items. Most farm products are still controlled, however.

Among agricultural items freed from licensing requirements by the new directive are frozen fruit and vegetables; originally these were to be liberalized next July 1. Also added to the free list are vegetables in airtight containers, other than tomatoes, cucumbers, sauerkraut, grape juice; salt; levulose and maltose; bulbs; unrooted vine cuttings and slips; fruit trees and bushes; dextrose and lactose and their syrups.

Further details on German import restrictions are available from the International Trade Relations Branch of the Department of Trade and Commerce.

Trade Commissioners on Tour

In Canada

K. G. RAMSAY, who will take up his duties as Commercial Secretary in Lima, Peru, in August, will visit Toronto, April 24-28. Businessmen who wish to see Mr. Ramsay should get in touch with the Canadian Manufacturers Association in Toronto.

In Territory

J. H. BAILEY, Commercial Secretary in Bogota, Colombia, will visit Quito and Guayaquil in Ecuador in April.

G. E. BLACKSTOCK, Vice Consul and Assistant Trade Commissioner in New Orleans, will visit Jackson, Mississippi, Memphis, Tennessee, and Birmingham, Alabama, at the end of March.

W. G. BRETT, Assistant Commercial Secretary in Paris, France, will tour the French Community countries in Africa from April 10-May 12. His itinerary covers Nouakchott, Fort Gouraud and Port Etienne in Mauretania; Dakar in Senegal; Conakry, Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from April 23-29.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Prague, Czechoslovakia, from April 17-20, and Belgrade and Sarajevo in Yugoslavia from May 15-20.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit Tulsa and Oklahoma City, Oklahoma, Little Rock, Arkansas, and Shreveport, Louisiana, towards the end of April.

L. J. TAYLOR, Assistant Trade Commissioner in Johannesburg, South Africa, will visit the Malagasy Republic from April 17-25.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Zagreb, Ljubljana and Rijeka in Yugoslavia, from May 15-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey at Bogota, Mr. Blackstock and Mr. Harris at New Orleans, Mr. Brett at Paris, Mr. Campbell at Kingston, Mr. Freyseng and Mr. Thomson at Vienna, and Mr. Taylor at Johannesburg.

COMMODITY NOTES

Agricultural Machinery

IRAN—Statistics show that $26.7 million worth of agricultural equipment was sold in Iran from April 1957 to November 1960. Tractors (4,014), combines (728), ploughs, discs and seeders, etc., (6,753) made up the total. The Agricultural Mechanization Branch of the Government's Plan Organization finances the farmers' agricultural equipment purchases; payments are spread over four years—Tehran.

Aluminum

FRANCE—Production of primary aluminum totalled 235,200 tons during 1960, compared with 172,996 tons for the previous year. Seventy-nine per cent, or 187,500 tons, came from the Pechiney plants—an increase of 43,000 tons over 1959 production. Ugine, the second French producer of aluminum, accounted for 47,900 tons, an increase of 19,434 over 1959—Paris.

Apples

UNITED KINGDOM—The Minister of Agriculture has reported that 1960 saw a record apple crop. The dessert crop reached an estimated 15.9 million bushels (a record) and the cooking crop 16.2 million. In 1959 the figures were 14.1 and 12.8 million. The Minister has estimated that by the end of last year, two-thirds of the crop had been sold—London.

Coffee

INDIA—It is reported that the Indian Coffee Board has released for export out of the 1960-61 crop 4.54 million kilos of coffee to bilateral-account countries and 9.15 million to non-bilateral-account countries—Bombay.

Fishmeal

IRELAND—A fishmeal factory at Killybegs, County Donegal, built in 1957 at a cost of £132,000, is for sale. The heavy losses sustained because of the difficulty of securing a continuous supply of fish forced the company to go into voluntary liquidation. The very modern plant was designed by a German expert—Dublin.

Instant Coffee

BRAZIL—A new instant coffee plant capitalized at Cr.$22 million has been opened in São Paulo by the Companhia Paulista dos Cafeicultores-Industria de Café Solúvel. Because of the large quantities of coffee held by the Instituto Brasileiro do Café (IBC) for consumption in Brazil, interest in the manufacture of instant coffee is growing. Lower grades can be used and t product sold at reasonable prices. Three instant coff factories have already been established and the IB has received eleven proposals for additional ones—S Paulo.

Newsprint

JAPAN—Four Japanese paper mills have conclud contracts that will result in sales of 2,100 tons of new print to the Thai Industrial Paper Corporation. It is t largest newsprint order to date that a Thai company h placed in Japan. It is reported that in 1961 Thailar will import about 12,000 tons of newsprint, and th two-thirds of the total will come from Japan—Toky

Seafoods

UNITED STATES—Florida plants packaging a freezing seafoods have turned out on an average son $29 million worth of finished products annually recent years. Both employment and payrolls have rise to about three times the comparable 1954 figures. Se food processing includes the freezing of fish, fish fillet shrimp and other products for shipment over lon distances; the shucking of oysters, and the sem processing of other seafoods for immediate consum tion in nearby areas—New Orleans.

Steel

PERU—The government-owned Santa Corporation h agreed to increase the productive capacity of its ste mill at Chimbote, north of Lima, from the prese 58,000 metric tons a year to 240,000 by the end 1963. Overseas Industrial Construction Limited Zurich, and Continental Security Corporation, Thesa rus Ltd., a Swiss financing company, will finance t project. The Swiss group is extending an initial cre of U.S.$38 million to be amortized over ten years 8 per cent a year—Lima.

Television

NEW ZEALAND—Auckland, New Zealand's on centre with television so far, will have commerci television after April 1. Total weekly programming Auckland will increase from 18 to 28 hours. Init prices for advertising on Channel 2 will centre on basic charge of £50 a minute for casual commercia The Minister of Broadcasting has stated that the is enough casual program material on hand and th he wants to expand the service as soon as possib From April 1, there will be 14 hours a week ea of non-commercial and commercial time—Wellingto

The following nominal quotations may prove useful in checking prices. Canadian traders hould consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian ollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The uying rate is that at which the banks purchase exchange from exporters. The selling rate is hat at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. nformation on the rate for any specific commodity may be obtained from the International rade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.013942.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 13	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01198	83.47	(1)
Austria	Schilling		.03812	26.20	
Australia	Pound		2.2092	.4526	
Bahamas	Pound		2.7615	.3621	
Belgium and Luxembourg	Franc		.01981	50.48	
Bermuda	Pound		2.7615	.3621	
Bolivia	Boliviano	Free	.00008632	11,584.80	
British Guiana	Dollar		.5753	1.74	
British Honduras	Dollar		.6904	1.45	
Brazil	Cruzeiro	General Category*	.004308	232.11	*Jan. 17 (2)
		Special Category	.001510	662.02	
		Official selling	.05285	19.18	(3)
Burma	Kyat		.2071	4.83	
Ceylon	Rupee		.2071	4.83	
Chile	Escudo	Free	.9375	1.06667	(4)
Colombia	Peso	Certificate	.1472	6.79	
Congo, Republic of	Franc		.01981	50.48	
Costa Rica	Colon	Official	.1756	5.69	
		Controlled free	.1484	6.74	
Cuba	Peso		.9863	1.01389	tax 2%
Czechoslovakia	Koruna		.1370	7.30	
Denmark	Krone		.1429	7.00	
Dominican Republic	Peso		.9863	1.01389	
Ecuador	Sucre	Official	.06575	15.21	
		Free	.05767	17.34	
Egyptian Region, United Arab Rep.	Pound	Official	2.8321	.3531	
		Export account selling	....	....	
El Salvador	Colon		.3945	2.53	
Fiji	Pound		2.4878	.4020	
Finland	Markka		.003082	324.46	
France, Monaco, etc.	New Franc		.2013	4.97	(5)
Franco-African Republics, etc.	Franc		.004026	248.38	(6)
French Pacific	Franc		.01107	90.33	(7)
Germany	D Mark		.2483	4.03	
Ghana	Pound		2.7615	.3621	
Greece	Drachma		.03287	30.42	
Guatemala	Quetzal		.9863	1.01389	
Haiti	Gourde		.1973	5.07	
Honduras	Lempira		.4931	2.03	
Hong Kong	Dollar	Free*	.1715	5.83	*Feb. 24
		Official	.1726	5.79	
Iceland	Krona	Official	.02595	38.53	(8)
India	Rupee		.2071	4.83	
Indonesia	Rupiah	Official	.02191	45.63	(8)
Iran	Rial		.01302	76.81	
Iraq	Dinar		2.7615	.3621	
Ireland	Pound		2.7615	.3621	
Israel	Pound		.5479	1.82	
Italy	Lira		.001536	630.52	
Japan	Yen		.002740	364.96	

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*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 13	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3098	3.23	
Mexico	Peso		.07890	12.67	
Morocco	Dirham		.1973	5.07	
Netherlands	Florin		.2738	3.65	
Netherlands Antilles	Florin		.5230	1.91	
New Zealand	Pound		2.7615	.3621	
Nicaragua	Cordoba	Effective buying	.1494	6.69	
		Official selling	.1399	7.15	
Nigeria	Pound		2.7615	.3621	
Norway	Krone		.1380	7.24	
Pakistan	Rupee		.2071	4.83	
Panama	Balboa		.9863	1.01389	
Paraguay	Guarani	Official	.007796	128.27	
Peru	Sol		.03675	27.21	
Philippines	Peso	Free	.3288	3.04	
		Official	.4931	2.03	
Portugal & Colonies	Escudo		.03442	29.05	(9)
Singapore and Malaya	Straits Dollar		.3222	3.10	
Spain and Dependencies	Peseta		.01644	60.84	
Sweden	Krona		.1909	5.24	
Switzerland	Franc		.2282	4.38	
Syrian Region, United Arab Rep.	Pound	Free	.2755	3.63	
Thailand	Baht	Free	.04690	21.32	(8)
Tunisia	Dinar		2.3670	.4225	
Turkey	Lira		.1096	9.12	(8)
Union of South Africa	Rand		1.3808	.7242	
United Kingdom	Pound		2.7615	.3621	
United States	Dollar		.98625	1.013942	
Uruguay	Peso	Free	.08942	11.18	(10)
Venezuela	Bolivar		.2941	3.40	(11)
West Indies Fed.	Dollar		.5753	1.74	(12)
	Pound		2.7615	.3621	(13)
Yugoslavia	Dinar	Official	.001315	760.46	(8)

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary	Canadian Embassy Bartolome Mitre 478 Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Phone:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road South Melbourne	*Mail:* (City Address) *Cable:* Canadian *Phone:* 61-3473
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle Canberra	*Mail:* (City Address) *Cable:* Domcan *Phone:* U-1304 *Telex:* CBA C217 (Domcan CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 Vienna 1	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 57-25-97 *Telex:* 1-3380 (Domcan Vienna)
Belgium Luxembourg, European Economic Community, European Atomic Energy Community, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science Brussels 4	*Mail:* (City Address) *Cable:* Canadian *Phone:* 13.38.50 *Telex:* 0-2613 (Domcan BRU)
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Phone:* 42-4140 *Telex:* Rio 175 (Dominion Rio)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Phone:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Phone:* 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Phone:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 Bogota	*Airmail:* Apartado Aereo 14522 *Surface Mail:* Apartado 1618 *Cable:* Canadian *Phone:* 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er Leopoldville 1	*Mail:* Boîte Postale 8341 *Cable:* Canadian *Phone:* 2706 *Telex:* Leo 68 (Domcan Leo)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tel
Cuba	P. A. Savard Commercial Secretary	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 COPENHAGEN V	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 1393 *Cable:* CANADIAN *Phone:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary C. T. Charland Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* BALzac 99-55 *Telex:* 2-0600 (DOMCAN PARIS)
Germany Federal Republic	J. A. Stiles Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 21971 *Telex:* 886421 OR 886422 (DOMCAN BONN)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. ACCRA	*Mail:* P.O. Box 1639 *Cable:* CANADIAN *Phone:* 4824
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	D. B. Laughton Agricultural Secretary		
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United States Delaware, Maryland, Virginia, West Virginia	M. Schwarzmann Minister-Counsellor (Economic)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
	D. A. B. Marshall Agricultural Counsellor		
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United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* DEcatur 2-1011
United States (Connecticut, New Jersey, New York, Pennsylvania), Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave. NEW YORK CITY 19	*Mail:* (City Address) *Cable:* CANTRACOM *Phone:* JUdson 6-2400
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United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* SUtter 1-3039
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Uruguay Paraguay Falkland Islands	Blair Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
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West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Secretary R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Phone:* 34787
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her Canadian hom
is now Ottawa.

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Canada's Fisheries Markets in 1960 (page 2)

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

APRIL 8. 61

FOREIGN TRADE

APRIL 8, 1961 **Vol. 115 No. 7**

ER: *At a New Brunswick cannery, ming silvery sardines by the bucketful re hoisted out of the hold—step one in journey to foreign markets. Last year, orts of canned sardines were the second hest in history, with Jamaica as the biggest buyer. For the facts on all types f fisheries production and exports, see the article on page two.*

Established in 1904. Published fortnightly by the Deparment of Trade and Commerce.
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Canada's Fisheries Markets in 1960 **2**

Each spring, just before the Fisheries Council of Canada holds its annual meeting, the chief of the Department's Fisheries Division reviews production, exports, imports and special problems in this vital industry in the past year. You'll find his current report, well buttressed by statistics, on pages 2 to 8.

Australia Builds an Oil-Refining Industry **8**

Australians come next to North Americans and Scandinavians as consumers of oil products. Because they haven't yet struck oil at home, they buy Middle Eastern and Indonesian crude, refine it themselves. From Sydney comes an account of the growth of this refining industry, vital in industrial advance.

Advertising Abroad: Italy **11**

If you want to advertise your products in Italy, you'll find it has up-to-date advertising agencies, some of them affiliated with Canadian counterparts, ready to advise you. Meanwhile, the background information in this article will give you an initial insight into Italian media and methods.

Argentine Agriculture Faces Problems **14**

With eleven years of service in Buenos Aires, Canada's Commercial Counsellor writes of Argentina's agriculture with the perspective that experience provides. Those interested in the Argentine as a source of supply or potential competitor will want to study his analysis of farm production and prospects.

Iran's Industries Are Growing Up **19**

Oil revenues, development plans, tax and other concessions are stimulating industrial advance. Iranians are eagerly encouraging foreign participation in this industrial effort—a policy that influences its sources of supply.

The Netherlands Toy Industry **21**

Some Dutch boys and girls use Canadian skates and sleighs. What are the chances of our manufacturers making greater inroads into this market against domestic producers? What competition do we have to match in this Dutch market?

Pakistan's New Coinage 7
Canada Sells More to Britain 17
The Canaries Are Booming 18
Canadian Products Attract London Buyers 26
Shipping by Air Parcel Post 27

Commodity Notes	**32**	**Markets in Brief**	**36**
Foreign Exchange Rates	**34**	**The Librarian Suggests**	**24**
Foreign Tariffs and Trade Regulations	**28**	**Trade Commissioners on Tour**	**10**
General Notes	**13**		

MING——A REVIEW OF TRADE AND DEVELOPMENT IN THE FAR EAST, APRIL 22 ISSUE

93840-7—1

Canada's Fisheri

Fisheries Facts in '60

Landings, sea fisheries 1960—1.7 billion pounds.

Landed value, sea fisheries, 1960—$88 million.

Atlantic catch, up 2.3 million pounds over 1959.

Pacific catch, down 283 million pounds from 1959.

Salmon catch lowest since 1910; landed value down 17 per cent. Canned pack smallest since 1921.

Exports of fisheries products valued at $138.1 million; went to 87 countries; U.S. alone took $99 million.

Imports of fisheries products valued at $15.3 million in first 11 months of '60; came from 43 countries.

Fresh and frozen fish leading export at $89.4 million; went mainly to the U.S., but British market also opened up.

Salted groundfish found major market in Puerto Rico, replacing Jamaica.

Fresh lobster shipments valued at $11.2 million; U.S. continued to be major outlet.

LANDINGS in the Canadian s
fisheries during the calendar ye
1960 reached 1,667,632,0
pounds, 14 per cent less than
1959. The landed value totall
$87,946,000, compared with $9
853,000 in the previous year. Mu
smaller catches of salmon and he
ring in our Pacific Coast fishery w
the reason for the smaller retur

Atlantic Fisheries

The over-all yield of the Atlan
coast fishery in 1960 was a lit
higher than in 1959, but two i
portant species, cod and haddoc
were down. However, higher lan
ings and values of other species-
particularly small flatfish, lobst
ocean perch or redfish, herring a
sardines—made up for the loss
the cod and haddock fisheri
Atlantic fishermen landed 1,3
million pounds of fish and shellfi
with an ex-vessel value of $59,89
000—about 2.3 million pounds a
$1.4 million higher than in 195
Lobster was the most importa
single fishery in terms of value: t
1960 landings were worth $18,04
000 compared with $17,322,0
in the previous year. Cod mai
tained its position as the seco
most valuable species in the Atla
tic fishery, with a total landed val
of $16,823,000 (603,392,0
pounds), compared with $17,11
000 (642,312,000 pounds)
1959.

Pacific Fisheries

The catch of the Pacific co
fishery dropped to 336.8 milli
pounds, bringing down the land
value to $28,055,000; this was 2
million pounds and $8,285,000 b
low the 1959 figures. The quant
of salmon taken in British Colu
bia during 1960 was the lowest
any year since records were fi
kept in 1910, totalling only 74,03

arkets in 1960

T. R. KINSELLA, *Chief, Fisheries Division.*

00 pounds, or a decrease of 30 er cent from 1959. The landed alue—at $17,012,000—fell by nly 17 per cent because of higher nit prices. The small salmon run as been attributed to off-seasons in ne spawning cycles of several pecies in the same year. Normally, hen one species such as sockeye low, one of the other types is unning in peak numbers. The pink almon landings in 1960 totalled nly 16.5 million pounds as against 5 million in 1959, the lowest since 954. Limited activity in the herring shery was mainly responsible for he poor catch of this species; only 86,588,000 pounds were landed ompared with 444,032,000 in 959. The value went down to 2,702,000, a drop of 63 per cent.

nland Fisheries

The latest available figures for the nland or fresh water fisheries show hat in 1959 landings reached 115 nillion pounds with a landed value f $14 million; Ontario was the eading producer, with Manitoba, askatchewan, Alberta, Northwest erritories, New Brunswick and uebec (in that order) contributing o the total. Whitefish, yellow pickrel, perch and sturgeon were the mportant species taken. The Great akes Fishery Commission, a joint Canadian-United States organizaion, continued its all-out war on he sea lamprey in the Great Lakes uring 1960. This predator has layed havoc with valuable fish tocks, particularly lake trout. The most spectacular measure in combating the lamprey has been the pplication to breeding streams of a chemical which acts as a lampricide. Although lethal to lamprey, t does not injure other fish stocks hat are exposed to the low concenration used. The Commission has aken steps to restore the lake trout in areas where they have been drastically reduced. Hatchery-reared trout have already shown a high rate of survival after planting and they will likely play an important part in the recovery of the fishery.

Exports Down Slightly

In 1960, exports of fisheries products reached only $138,130,000, down 6 per cent from the previous year's $147,816,000. Smaller quantities of canned salmon and fishmeal were available for export and were responsible for the decrease. Shipments of canned salmon dropped to $10.9 million in 1960 in comparison with $22.5 million in 1959. Fresh and frozen fish, particularly in the frozen block form, made moderate gains. Exports of salted groundfish were also higher but smoked, pickled, and dry salted fish were lower in value. Canned sardines sales rose 20 per cent over the previous year and exports of molluscs and crustaceans (notably lobster and scallops) also increased. Marine oils and miscellaneous fisheries products showed losses compared with 1959. Exports of fisheries products during 1960 were consigned to 87 countries.

Imports Increased

The value of imports of fisheries products into Canada during the period January-November 1960 reached $15,267,000—about $216,000 higher than in the corresponding period in 1959. Shipments were received from 43 countries. Major purchases included fresh or frozen shrimp from the United States, Mexico, Hong Kong and Panama, plus canned shrimp from the United States, Mexico, Norway and India. Canned tuna was the third highest item and came mainly from Japan, Portugal and the United States. Important quantities of canned sardines and anchovies were also imported from Norway, Portugal, Denmark and Spain. Because of the very small pack of Canadian salmon in 1960, supplies valued at $664,000 were purchased from the United States. Japanese canned salmon sales to Canada in this period totalled only $11,000. Another item of interest was imports of fishmeal from Peru (3,418,600 pounds valued at $126,142) and South Africa (660,000 pounds worth $43,560).

Fresh and Frozen Fish

There was an encouraging overall increase in exports of fresh and frozen fish in 1960 compared with 1959. An interesting trend during the year was the shift from exports of frozen cod fillets to frozen cod blocks to the United States for making cooked and uncooked fish sticks and portions. Prohibitive tariffs on imports of these products into the United States limit exports but Canada leads all other fish-producing nations in supplying the raw materials.

With the removal of the restrictions on imports of frozen fish into the United Kingdom late in 1959, a new outlet for exports of frozen fisheries products developed. During the war and prewar periods, Britain purchased large quantities of frozen salmon, halibut, cod and haddock fillets from Canada—and important sales of these were made in 1960, indicating that Canadian exporters are planning to re-enter the United Kingdom market in a major way.

In addition, other countries in Europe (such as West Germany and Sweden) were anxious to purchase frozen fish from Canada. The close proximity of the fishing grounds to the Canadian plants (which have all the latest available processing equipment) gives our producers an advantage over most of the supplying countries. Another feature is the superior quality brought about by the introduction of the specifications of the Canadian Government Specifications Board in 1959, which govern the voluntary inspection of fish plants and fisheries products. Fresh and frozen fish which has passed the rigid standards may bear the Maple Leaf emblems *Canada Inspected* or *Processed under Government Supervision.* Constant on-the-spot vigilance by inspecting officers of the Department of Fisheries, with the co-operation of industry, ensures that these insignia symbolize the choicest of fresh and frozen fish products.

The trade agreement between Iceland and Russia signed on January 23, 1960, for a period of three years is still in effect. It provides for the annual delivery of up to 32,000 tons of Icelandic frozen fillets to Russia. This should help to maintain the orderly marketing of frozen fish.

Preliminary returns indicate that imports of fresh and frozen ocean perch and groundfish fillets and blocks (cod and related species) into the United States during 1960 totalled 155.6 million pounds compared with 184.8 million in 1959. Canada continued to be the leading supplier of frozen cod fillets, providing 21,561,000 pounds out of the total of 29,565,000. Iceland was second with 7,456,000 pounds followed by Denmark (193,000) and Norway (90,000); other producing countries supplied 265,000 pounds. Imports of fillets of haddock, ocean perch, hake, pollock, and cusk into the United States from all sources totalled 36,313,000 pounds. Canada's share reached 25,336,000 pounds and Iceland furnished 6,896,000. Other suppliers included West Germany, Norway, and the Netherlands.

United States imports of frozen blocked fish in 1960 reached 90 million pounds in comparison with 85.3 million in 1959. Canada was the principal source, shipping 55.3 million pounds, followed by Iceland (18 million), Denmark (6 million), Greenland (3.9 million), Norway (3.4 million), and West Germany (1.9 million). A few other countries provided the remainder. These frozen blocks or slabs were shipped to 39 manufacturers of fish sticks and fish portions in the United States, who produced 65 million pounds of fish sticks and 48.3 million pounds of fish portions in 1960 as against 60 million and 37.1 million respectively in 1959.

TABLE I

Canadian Exports of Fisheries Products by Forms, 1956-1960

(total value in millions of dollars)

	1956	1957	1958	1959	1960
All Fish Products	133.71	132.46	155.02	147.82	138.13
Fresh and Frozen	77.97	81.46	88.20	85.74	89.47
Whole or dressed	28.50	29.80	35.73	33.15	34.94
Fillets	31.10	33.39	35.17	33.37	33.89
Shellfish (in shell and meat)	18.37	18.27	17.30	19.22	20.64
Cured	22.84	24.51	22.70	21.79	22.16
Smoked	1.76	1.60	1.58	1.43	1.31
Bloaters and kippers	1.23	1.00	1.01	0.92	0.85
All other	0.53	0.60	0.57	0.51	0.46
Salted and Dried	17.71	19.42	18.20	17.72	18.48
Cod	15.59	16.84	15.69	14.77	14.98
All other	2.12	2.58	2.51	2.95	3.50
Pickled	3.37	3.49	2.92	2.64	2.37
Herring	1.65	1.88	1.75	1.45	1.40
All other	1.72	1.61	1.17	1.19	0.97
Canned Fish and Shellfish	19.63	16.02	35.63	28.00	17.77
Salmon	14.98	11.27	30.64	22.46	10.93
Sardines	2.12	2.28	2.80	2.95	3.52
Lobster	2.07	2.06	1.82	1.93	2.45
All other	0.46	0.41	0.37	0.66	0.87
Miscellaneous	13.27	10.47	8.49	12.29	8.73
Meal	7.59	6.18	3.85	6.70	3.83
Oil	2.24	0.93	1.32	2.35	2.05
All other	3.44	3.36	3.32	3.24	2.85

Salted Fish

Exports of salted groundfish (cod and related species) in 1960, at 107,766,000 pounds ($18,484,000), were higher than in the previous year (106,937,000 pounds worth $17,726,000), although the boneless and light salted forms had smaller sales. Puerto Rico replaced Jamaica as the leading market in 1960. Shipments of heavy salted dried cod (43 per cent moistur content or less) remained at th same level as in 1959, while th 43-45 and 45-50 per cent moisture content cures were a little highe both in quantity and value. Majo outlets for the hard-dried ligh salted cod were Puerto Rico, Spain Jamaica, Italy and Portugal; Jamaica, Puerto Rico, and Cuba wer the leading purchasers of heav salted hard-dried cod. As at the en of the two previous seasons, becaus of reduced production the tota carryover of stocks of salt cod i the principal producing countrie and on the market when the 1959-60 season finished was relativel small. However, towards the en of 1960 Canadian exporters of sal cod were encountering difficulty i the Cuban market because of th shortage of dollars and some Cuban purchases from Iceland under bar

TABLE II—Canadian Exports of Fisheries Products by Countries, 1956-1960

	1956		1957		1958		1959		1960	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Areas	**133,706**	**100.0**	**132,455**	**100.0**	**155,016**	**100.0**	**147,816**	**100.0**	**138,130**	**100.0**
Uted States	**96,758**	**72.4**	**97,006**	**73.2**	**103,321**	**66.7**	**98,645**	**66.7**	**98,839**	**71.6**
Tal British Caribbean	**7,389**	**5.5**	**7,928**	**6.0**	**6,850**	**4.4**	**7,909**	**5.4**	**8,191**	**5.9**
Jamaica	4,021	3.0	4,456	3.4	3,319	2.1	4,336	2.9	4,372	3.2
Barbados	529	0.4	535	0.4	482	0.3	431	0.3	464	0.3
British Guiana	540	0.4	635	0.5	754	0.5	801	0.5	926	0.7
Leeward and Windward Islands	968	0.7	981	0.7	911	0.6	995	0.7	1,040	0.7
Trinidad and Tobago	1,153	0.9	1,157	0.9	1,189	0.8	1,130	0.8	1,145	0.8
Other British Caribbean	178	0.1	164	0.1	195	0.1	216	0.2	244	0.2
Tal Non-British Caribbean	**10,092**	**7.5**	**9,759**	**7.4**	**9,671**	**6.2**	**9,027**	**6.1**	**8,907**	**6.5**
Puerto Rico	3,205	2.4	3,887	2.9	4,017	2.6	2,773	1.9	3,635	2.6
Cuba	2,820	2.1	2,488	1.9	2,204	1.4	2,736	1.8	1,839	1.3
Dominican Republic	1,831	1.4	1,670	1.3	1,599	1.0	1,669	1.1	1,723	1.3
Haiti	1,214	0.9	656	0.5	798	0.5	677	0.5	724	0.5
Panama	314	0.2	362	0.3	377	0.3	146	0.1	195	0.2
Other Caribbean	708	0.5	696	0.5	676	0.4	1,026	0.7	791	0.6
Tal Europe	**15,257**	**11.4**	**13,294**	**10.0**	**31,501**	**20.3**	**28,751**	**19.4**	**18,006**	**13.0**
United Kingdom	8,799	6.6	7,731	5.8	25,453	16.4	22,363	15.1	11,525	8.3
Belgium and Luxembourg	1,284	1.0	1,003	0.8	1,013	0.7	1,139	0.8	1,081	0.8
Germany	1,191	0.9	369	0.3	565	0.4	487	0.3	438	0.3
taly	1,525	1.1	1,732	1.3	1,214	0.8	1,364	0.9	1,132	0.8
Netherlands	661	0.5	364	0.3	1,091	0.7	613	0.4	604	0.4
Portugal	172	0.1	261	0.2	532	0.3	993	0.7	906	0.7
Spain	847	0.6	1,083	0.8	932	0.6	285	0.2	878	0.6
Other Europe	778	0.6	751	0.5	701	0.4	1,507	1.0	1,442	1.1
Tal All Other Countries	**4,210**	**3.3**	**4,468**	**3.4**	**3,673**	**2.4**	**3,484**	**2.4**	**4,187**	**3.0**
Other Commonwealth	3,455	2.6	3,114	2.4	2,783	1.8	2,495	1.7	3,809	2.8
Brazil			397	0.3	308	0.2	524	0.4	22	*
Congo (Belgian)	17	*	63	*	19	*	32	*	18	*
Taiwan			164	0.1	40	*				
Philippine Islands	338	0.3	293	0.2	93	0.1	99	0.1		
All Other Countries	400	0.3	437	0.4	430	0.3	334	0.2	338	0.2
Tal Commonwealth Countries	**19,643**	**14.7**	**18,773**	**14.2**	**35,086**	**22.6**	**32,767**	**22.2**	**23,525**	**17.0**

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*Less than half of one-tenth of one per cent.

t arrangements. Exchange difficulties continued in Brazil and immediate prospects for re-entering that important prewar outlet for Canadian salt cod appear bleak. Spain liberalized imports of salt cod early in 1960 and Canada's trade agreement with Portugal covering the provision of dollars for the purchase of Canadian salt cod remained in force.

Wet salted cod (over 50 per cent moisture content) exports decreased in 1960—9,933,000 pounds as against 11,828,000 pounds in 1959. Higher unit prices prevailed, however, and the over-all value remained the same—$1,050,000 compared with $1,051,000 in 1959. Italy, Portugal, the United States, Cuba and Greece were the markets involved.

Shipments of salted scale fish (pollock, hake and cusk) were up in 1960, with the Dominican Republic, British Guiana and Puerto Rico taking important quantities. Sales of salted alewives and pickled split mackerel and herring, as well as mild cured salmon, were down in comparison with the previous year. Lesser quantities of smoked herring bloaters were exported in 1960; Haiti and the Dominican Republic were the main markets.

The Fisheries Research Board of Canada, through its Technological Station at Grande Riviere on the Gaspe Coast, conducts investigations relating to salt cod in the interests of the salt fish industry. During 1960, experiments were made in vacuum freeze drying of codfish steaks and fillets. Similar research is planned for 1961, using

The power block mounted on the mast of the seagoing Pacific Raider *hauls in the huge net. Seiners like these reaped a poorer harvest last year: the Pacific herring catch dropped drastically. The salmon catch too was the smallest since records were first kept in 1910.*

spiked plate drying and radiant heating. Experiments will also be conducted with salt fish; one has to do with the problem of holding semi-processed salt fish. It would be a considerable advantage to fishermen and plant managers if light-salted fish could be semi-dried and then held in storage without deterioration until the fishing season was over, when processing could be completed at leisure.

Canned Fish

The final pack report for British Columbia canned salmon shows that only 632,089 cases of all varieties were put up in 1960. This is the smallest pack since 1921 (603,548 cases) and compares poorly with the average pack of around 1.5 million cases or the near-record 1958 pack of 1,900,025 cases. Although last year's cycle has generally been low in production, the unexpected drop may be partly explained by poor spawning conditions and low ocean survival. However, reports from the Pacific Coast indicate that the fisheries scientists are predicting better runs for 1961, especially to the Quesnel Lake area of the Fraser River. The return of the famous Adams River run is expected in 1962 and this augurs well for the Canadian salmon-packing industry. United States production of canned salmon was higher in 1960 than in the previous year—the Alaska pack alone reached 2.55 million cases, of which 1.17 million cases were sockeye. On the other hand, Japanese output of canned salmon and trout in 1960 is reported to have dropped to almost half of the 2.8 million cases put up in 1959. No official reports have been received about the Russian salmon pack but it is understood that it was also lower in 1960.

Over-all export sales of all varieties of Canadian canned salmon were disappointingly low, at $10,927,000 compared with $22,460,000 in 1959. The United Kingdom was the major market, followed by New Zealand, Belgium, Australia, the United States, Trinidad, Italy, Netherlands, Rhodesia and Nyasaland, South Africa, and numerous other countries. Australia put canned fish imports under replacement licensing effective January 1, 1961; New Zealand increased its over-all allocation on imports canned fish for the ensuing ye However, no improvement made in the quota scheme gove ing imports into South Africa.

The value of exports of can sardines was the second highest the history of the industry a reached $3,523,000 as agai $2,953,000 in 1959. Jamaica the leading outlet and gains w also made in Australia. So Africa, Trinidad, Cuba, Brit Guiana, Leeward and Windwa Islands, Barbados, Panama, F Dominican Republic, Surina Netherlands Antilles, and New Z land were other principal mark Some progress was made in sa to the United Kingdom.

Molluscs and Crustaceans

Exports of molluscs and cr taceans (mainly lobster and sc lops) were higher in 1960 both quantity and value. The lobs catch totalled 50,072,000 pour with a landed value of $18,041,0 in comparison with 45,631,0 worth $17,322,000 taken in 19 Exports in all forms were Lobsters alive or fresh boi ued at $11.2 million went mainly the United States, although small ipments were also consigned to lgium and the Netherlands. Shipnts of canned lobster amounted $2.5 million; the United States, ited Kingdom, Sweden, West rmany, Belgium, Netherlands d Denmark were the major outts. Exports of fresh or frozen bster meat consigned to the ited States, with a limited quany to the United Kingdom, were ued at $6.5 million.

Fresh or frozen scallops exports n 1960 reached $2.5 million and re shipped principally to the ited States, with Bermuda, Jaica and Barbados consuming ratively smaller quantities.

Production of Atlantic clams and sters was lower in 1960 than in e previous year and landings of uid increased from 6.8 million unds to 11.2 million. Output of abs, clams, and shrimp in the cific fisheries was higher in 1960, t oysters were down from 7 to 6 llion pounds.

sh and Byproducts

Landings of herring in British lumbia during 1960 amounted to ly 93,300 tons compared with 2,000 in 1959. Actual operations d not begin until late in November cause of a wage dispute between e fishermen and the reduction mpanies. The phenomenal growth Peru's fishmeal industry from out 61,000 tons in 1957 to over 0,000 in 1960 had a tendency to ut world markets and prices finally mbled in 1960 from a high of out $150 a ton to as low as $60. nditions improved a little toards late fall, making it fairly onomical to operate. However, ly 13,712 tons of herring meal ere produced in British Columbia 1960 in comparison with 37,578 the previous year. Output of herng oil also was very low—only 717,563 gallons as against 4,746,04 in 1959. The United States and exico were the main outlets for e herring meal.

Fishmeal production on the Atlantic coast dropped to 25,225 tons from 30,576 in 1959. However, the 1960 output of Atlantic fish oils (including cod and seal), at 1,312,016 gallons, was up a little from 1,291,121 gallons of 1959. The bulk of the Atlantic fishmeal exports went to the United Kingdom and the United States.

The United Kingdom continued to be the main market for Pacific herring oil, followed by West Germany, the Netherlands, the United States and Australia. Atlantic Coast cod liver oil was shipped to the United States and the United Kingdom. Halibut liver oil for pharmaceutical purposes was exported to the United States, Venezuela, Guatemala and Switzerland. Small quantities of whale and seal oil went to the United States. Fish livers, viscera for oil, fish scales, fish solubles and seaweeds also found outlets in the U.S.

Trade Fairs and Conferences

Canadian exporters of canned salmon, sardines and lobster took advantage of the facilities provided by the Department of Trade and Commerce and displayed their products at the Ideal Home Exhibition and the British Food Fair held in London, England, during 1960. Because of the success they achieved, the individual firms are planning to exhibit again at these Trade Fairs in 1961.

The annual meeting of the Fisheries Council of Canada will be held in Toronto from April 10 to 12 and representatives of the fishing industry and trade from coast to coast will be present. Officials of the Department of Trade and Commerce have been invited to attend and will be on hand for the various discussions on export trade in Canadian fisheries products. A member of the Department's Fisheries Division visited all of the fish-producing countries and markets in Europe last fall and also attended the International Meeting on Fish Meal held in Rome, March 20-29, 1961. ●

Pakistan's New Coinage

ON January 1, 1961, Pakistan adopted the decimal system of coinage. The question of introducing it was considered on many occasions in the past. Although the advantages were recognized and the idea accepted in principle, the introduction was deferred until now, when the new regime agreed that the time had come when the decimal system could be adopted in the country.

The existing form, "rupia" (or rupee), is retained as the basic unit of currency, without any changes in its present value. Under the new system, however, it is divided into 100 paisa instead of 16 annas (or 64 pice or 192 pies). Between the rupee and the paisa there will be five intermediary coins of the value of 50, 25, 10, 5 and 1 paisa. Only three new coins of the denominations of 1, 5 and 10 paisa have been introduced so far; the other denominations are expected to be issued at some later date.

All existing coins continue to be legal tender and will remain in circulation with the new coins. The transition period during which both currencies will be used is expected to last for about three years. By that time, the authorities hope that it will be possible to withdraw the old coins completely.

The Government has distributed tables for the conversion of the existing coins and has advised the public to keep these tables for ready reference. All government accounts are now being maintained in the new currency and banks and commercial houses have switched over their accounts as of January 1, 1961. It should be observed that a decimal point is to be used after expressing the figures in rupees; for example, Rs.1.04 Ps. If a bar is used instead of a decimal point (for example Rs. 1/04,) no abbreviation such as Ps. above is required.

This reform in the coinage system was well received by the public and it appears that the people have readily adjusted themselves to the new system. The next step is expected to be adoption of the metric system of weights and measures; this will probably be approved in the near future.

—L. A. CAMPEAU
Commercial Counsellor, Karachi.

Another twist of the valve will pass more crude into this huge refinery at Kurnell, near Sydney. Built in 1956, it handles over a million tons of crude a year, which flows to the plant through some 120 miles of steel pipeline.

Australia Builds an Oil-Refining Industry

Consumption of refined petroleum products is steadily mounting in Australia, but she is building more refineries to make them. This economic development has meant savings in foreign exchange and has brought an inflow of foreign capital.

L. D. BURKE, *Assistant Commercial Secretary, Sydney.*

THE refining of petroleum has b come a major industry in Austral in the past ten years. In this coun try—one of the largest markets fo petroleum products in the world, y still dependent entirely on foreig sources for its oil—the establish ment of new refineries has had great influence on industrial expan sion and diversification, capital in vestment from abroad, and saving in foreign exchange.

Petroleum Demand Growing

In Australia today, per capit consumption of petroleum is highe than anywhere in the world excep North America and Scandinavi Demand for oil products of all kind has now reached more than 2. billion gallons a year (nearly thre times the 1949 figure) and is risin at a rate of nearly 8 per cent a yea Australia is becoming one of th world's most motorized nation Latest figures show that there ar 2.58 persons per automobile in th United States, 3.25 in New Zealand 3.63 in Canada and 4.00 in Aus tralia. The astonishing growth in th number of motor vehicles on th road has sharply increased con sumption of gasoline, now running at 1.2 billion gallons a year.

Despite this voracious appetit for petroleum products, Australia i one of the few leading oil-consum ing countries that does not produc any of its own petroleum but mus import it all from abroad. Until a few years ago, imports consisted almost entirely of refined products —gasoline, diesel fuels, kerosene etc. Now, a vast and modern domestic refining industry is able no only to meet domestic needs fo such products but also to export some of them as well.

Beginnings of Refining

Refining was actually carried out in Australia as early as 1924 at a plant established in the state of Victoria. A second refinery started operations in 1925 and just after World War II, two other small units went into production, turning out bitumen, lubricating oils and gasoline. But Australia by the end of the 1940's was able to process only a fraction of the petroleum products she used.

This situation was to change practically overnight; 1951 marked the turning point. By that time, after years of relatively little refinery construction, a number of factors had moved in Australia's favour. First, consumption of finished products had reached a point where local refining was economically attractive, and second, the oil industry had come to favour location of refineries in actual market areas, rather than near the source of supply as in the past. Almost simultaneously four international petroleum companies—two British and two American—decided to build their own refineries in Australia.

Growth of the Industry

First in the market was the Shell group, which began construction of its plant at Geelong in the state of Victoria in June 1951. The unit started production in 1954 with a capacity of 2.4 million tons of crude per year. Next came one of Australia's great postwar refineries, that of the Standard Vacuum Oil Co. at Altona (Victoria). Work on this plant began in 1953 and within the remarkably short time of 22 months it was in full production. The company initially planned to process 870,000 tons of crude but while construction was still under way, it was decided to add a further unit for refining high-octane aviation gas. Production from this unit began in 1956 and Altona can now supply 40 per cent of Australia's requirements of this fuel; current capacity for crude is 2.1 million tons a year. The California Texas Corp. (Caltex), operating through a subsidiary here, in 1953 began construction of its $50 million refinery near Sydney, New South Wales, and by February 1956 was producing a number of refined products, including gasoline, kerosene and diesel fuel. Capacity is 2.25 million tons of crude a year.

Australia's biggest refinery is situated near the city of Fremantle in Western Australia. Built at a cost of approximately $85 million by the British Petroleum Co. Ltd. and completed in 1955, it has a throughput capacity of three million tons a year. Establishment of the B.P. refinery was by far the largest industrial undertaking ever carried out in Western Australia. What it meant economically to that relatively under-developed state can be appreciated by the fact that the site is more than 2,000 miles from the main business and industrial centres of Australia and separated from them by one of the world's largest deserts. Besides the increase in new capital, employment opportunities, etc., a number of new enterprises sprang up around the plant, including steel rolling and cement industries.

During this boom in the construction of new refineries, existing plant facilities were also enlarged. One of the medium-sized refineries which had been operating since prewar days was taken over by the Shell Company, modernized, and capacity increased to 950,000 tons of crude. Extensive changes were also made at two smaller refineries originally set up to manufacture bitumen. This permitted them to produce gasoline and other fuels and handle up to 930,000 tons of crude a year.

Changing Pattern of Imports

These rapid developments in the refining industry soon had their effect on imports, with purchases of refined products dropping off sharply. In 1956 purchases of crude oil exceeded those of refined products for the first time and ever since they have increased in proportion to total purchases. Today Australia imports 87 per cent of its petroleum requirements in the form of crude oil. Most of it is brought in from the Middle East and nearby Indonesia. Imports of crude and enriched crude in 1959/60 totalled 2.7 billion gallons and cost this country approximately $225 million.

To bridge the gap between demand and domestic supply, Australia still imports some refined products, mainly gasoline, aviation fuels, kerosene, lubricants and solvents. Purchases of these items in 1960 totalled approximately $70 million. Indonesia was a major supplier of gasoline, aviation fuel, solvents, etc.; lubricants came mainly from the United States.

Australia herself produces surpluses of certain refined products, such as diesel oils and industrial fuels, and sells them abroad. The main market is New Zealand but sales last year were made to countries as distant as Argentina and to markets as unlikely as Saudi Arabia and Aden.

Future Plans

Australia will soon be independent of even the present small imports of refined products. Plans are under way to build two more new refineries. The Standard-Vacuum Oil Company is scheduling a construction start in a few months on a 1.55 million-ton capacity plant near Adelaide in Southern Australia. The Standard Oil Company of Indiana, in what is reported to be one of its few ventures abroad, has announced a plan to build a new medium-sized refinery at Brisbane, Queensland. When this is completed (some time in 1966) every state in mainland Australia will have a refinery.

Benefits to Australia

Construction of up-to-date refineries, a sign of Australia's coming-of-age as a modern industrial nation, has greatly benefited the country through capital inflow and savings in foreign exchange. Australia's ability to import crude, rather than costly refined products, is estimated to save nearly $70 million a year.

In addition, substantial refining capacity has given birth to a new industry — petrochemicals — which Australians hope will boost industrialization in the 1960's. A carbon black factory, a plant for the manufacture of epoxy resins, and sulphur recovery units are now operating at three of the refineries. Plans have been announced to build plants turning out polyvinyl chloride, styrene monomer, refined naphthalene, detergent alkylate, high purity benzene, toluene, xylene and other chemicals.

Marketing of petroleum products in Australia has kept pace with developments in refining. Today nine major oil companies distribute petroleum products here. Four of them—Standard-Vacuum Oil, Shell, Caltex and British Petroleum—operate their own refineries, marketing products under trade-names known the world over—Mobilgas, Flying Red Horse, Shellubrication, etc. Two have their own independent marketing firms. The Shell group's Australian subsidiary, Neptune Oil Co. Pty. Ltd., draws on the Shell refinery in Geelong, Victoria, for its requirements; Standard Vacuum Oil Company's refinery at Altona provides gasoline and other items to its subsidiary here, the Atlantic Union Oil Company. Two independent Australian marketing firms—H. C. Sleigh Ltd., and Ampol Petroleum Ltd.—carry crude in their own tankers to the Sydney refinery of the Caltex organization, where it is refined to specifications and special additives mixed in for product distinction. Finally, a relative newcomer representing French interests, Total Oil Products (Aust.) Ltd., has been marketing gasoline in Australia since 1955. Total Oil has done an extensive selling job and has progressively expanded its retail outlets in New South Wales and Queensland. It obtains most of its finished products from crude which it imports and has refined locally.

First Gas Pump Canadian

Canada has a special niche in the history of gasoline marketing in Australia because the first hand-operated curbside pump in this country, the "Bowser", was imported from Toronto, Ontario. Th pump incorporated a number o revolutionary features, including gauge showing all the gasolin bought by the station owner and gallon meter measuring each individual sale. Many brands o pumps have been marketed in Australia over the years but the nam "Bowser" has stuck in the publi mind. Even today, in many parts o Australia people are still apt to cal any pump a Bowser.

It is the fervent hope of all Australians that one day, not too fa off, it will be possible to suppl local refineries not with importe crude but with raw products from the nation's own wells. To this en the search for oil goes on unremittingly.* Should large oilfields b found either in mainland Australi or in its territories, the one missin link in an otherwise fully integrate oil industry will be provided. ●

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*See "Australia Seeks Oil" in the Marc 11, 1961, issue of *Foreign Trade.*

TRADE COMMISSIONERS ON TOUR

In Canada

K. G. RAMSAY, who will take up his duties as Commercial Secretary in Lima, Peru, in August, will visit Toronto, April 24-28. Businessmen who wish to see Mr. Ramsay should get in touch with the Canadian Manufacturers Association in Toronto.

In Territory

J. H. BAILEY, Commercial Secretary in Bogota, Colombia, will visit Quito and Guayaquil in Ecuador in April.

W. G. BRETT, Assistant Commercial Secretary in Paris, France, will tour the French Community countries in Africa from April 10-May 12. His itinerary covers Nouakchott, Fort Gouraud and Port Etienne in Mauritania; Dakar in Senegal; Conakry, Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from April 23-29.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Prague, Czechoslovakia, from April 17-20, and Belgrade and Sarajevo in Yugoslavia from May 15-20.

T. F. HARRIS, Consul and Trade Commissioner in New Orleans, will visit Tulsa and Oklahoma City, Oklahoma, Little Rock, Arkansas, and Shreveport, Louisiana, towards the end of April.

T. G. MAJOR, Consul General and Trade Commissioner in Manila, Philippines, will visit Taiwan during the last two weeks of April.

L. J. TAYLOR, Assistant Trade Commissioner in Johannesburg, South Africa, will visit the Malagasy Republic from April 17-25.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Zagreb, Ljubljana and Rijeka in Yugoslavia from May 15-20.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Bailey at Bogota, Mr. Brett at Paris, Mr. Campbell at Kingston, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Harris at New Orleans, Mr. Major at Manila, and Mr. Taylor at Johannesburg.

Advertising Abroad

In Italy, **weekly magazines attract more readers than the dailies do; sell advertising space through space brokers or occasionally deal directly with advertisers.**

J. G. IRELAND, *Assistant Commercial Secretary, Rome.*

EXPENDITURES on advertising in Italy, it is estimated, totalled about $100 million in 1959, or something less than 0.5 per cent of the gross national product. This percentage appears to be smaller than in most other Western European countries: the actual figure comes close to that spent during the same year in Belgium or the Netherlands. However, the Italian standard of living is rising rapidly and the country is in the early stages of a period of greater mass consumption. For this reason, advertising expenditures will probably more than keep pace with the rapid rise in economic prosperity.

Italy has practically all the advertising media in common use in Canada and in other highly developed western countries, although there are differences in emphasis. At the present time advertising expenditure is said to be distributed as follows among the following media:

Press	27 per cent
Radio	16 per cent
Outdoor	6 per cent
Cinema	5 per cent
Television	5 per cent
Direct mail	2 per cent
Other forms, including fairs, window displays, advertising departments of firms, etc.	39 per cent
Total	100 per cent

There are more than 100 daily newspapers in Italy with an estimated circulation of about five million. There are no national newspapers; all of them are regional or local. The following dailies have an estimated circulation of 120,000 or more:

DAILY NEWSPAPERS IN ITALY

Newspaper	Circulation
Il Corriere della Sera, Milan	450,000
La Stampa, Turin (including evening edition of same paper)	430,000
Il Paese, Rome (including evening edition of same paper)	200,000
Il Corriere d'Informazione, Milan (this paper is evening edition of *Il Corriere della Sera*)	180,000
Il Gazzettino, Venice	180,000
Il Tempo, Rome	160,000
Il Giorno, Milan	160,000
Il Messaggero, Rome	160,000
La Nazione, Florence (including evening edition of same paper)	140,000
Il Mattino, Naples	120,000
Il Resto del Carlino, Bologna	120,000

Most Italians read morning papers. It is reported that 50 per cent of adult males and 30 per cent of adult females read morning papers; the corresponding figures for evening papers are 8 per cent of males and 4 per cent of females. These are national averages and it should be borne in mind that newspaper readership is much greater in the north and decreases from north to south.

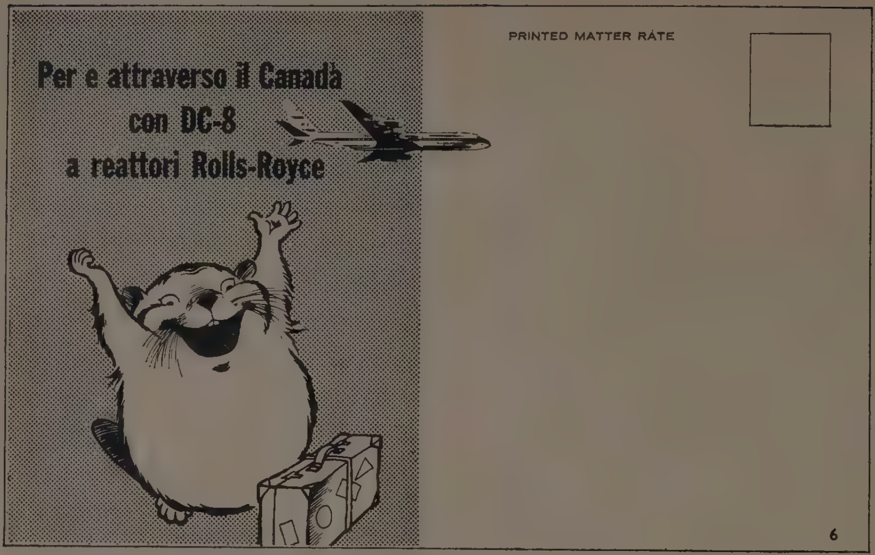
Most Italian newspapers sell advertising space through a very small number of large space brokers. These brokers do not provide full agency service, though they are equipped to translate advertisements supplied from abroad. Italian agencies placing advertising in newspapers usually obtain a small commission from these space brokers.

Weekly and Monthly Periodicals

Italian periodicals are usually national in character and enjoy a much larger readership than daily newspapers. Weeklies of the general news type, it is said, are read by about 55 per cent of adult males and 60 per cent of adult females and each person reads from two to four of them. Monthly periodicals are read by about 10 per cent of males and 20 per cent of females but normally each person reads only one monthly. Periodicals with the largest estimated readership are:

Weekly	Readership	Type
Annabella	1,000,000	Women's
Domenica del Corriere	1,000,000	General news
Oggi	600,000	General news
Epoca	400,000	General news
Tempo illustrato	400,000	General news
La Tribuna illustrata	350,000	General news
L'Europeo	300,000	General news
Monthly		
Arianna	500,000	Women's

Many Italian periodicals, like the newspapers, sell advertising space



This clever little postcard advertises to Italians the air services to and across Canada with DC-8 jetliner planes, powered by Rolls-Royce-made jet engines.

through space brokers, although some of the most important ones deal directly with advertisers. In addition to the popular periodicals, there are more than 500 specialized or trade publications that cover practically all sectors of industry and trade. There are also a large number of trade and commercial directories that carry advertising.

Radio Advertising

In Italy, both radio and television are public monopolies operated by Radiotelevisione Italiana (or RAI) and all advertising is in the hands of a subsidiary organization of RAI.

RAI broadcasts three different radio programs. Two of these include advertising, and it is estimated that about 80 per cent of the adult population listens to the radio regularly. Radio advertising is concentrated during particular times, especially during meal hours, and the cost is based on the number of words broadcast—usually between 12 and 25. Sponsored programs with a certain amount of advertising throughout are also permitted.

Italy has only one TV channel which operates for about ten hours a day (longer on Sundays) but a second channel is expected to come into operation late this year. Advertising on TV is permitted only during a few short periods, usually in the evening. As a rule, two or more advertisers share a program of advertising which lasts for only a few minutes. Each commercial message may last only 20 seconds and the rest of the time is reserved for entertainment. Advertisers must sign a contract for at least 12 programs and it is usually necessary to make reservations a long time in advance. Ownership of TV sets is increasing rapidly and a great many sets are installed in bars and other public places. Although there are no statistics to illustrate the point, television is expected to play an ever increasing rôle in Italian advertising in the future.

Cinema Advertising

Nearly 50 per cent of Italian adults go to the movies at least once a month and with this high attendance, cinema advertising is widespread throughout the country. In the large cities practically all cinemas are equipped for slide projection and the audience may be shown as many as 30 slides during a single performance. Advertising films are also shown in most city cinemas. Cinemas in country areas are less popular and are not always equipped for slide projection, nor do they always show advertising films. Mo
advertising in cinemas is handled
two or three large firms whi
specialize in this field.

Other Advertising Media

Although practically all comm
forms of advertising are to
found in Italy to some degree, ou
door advertising and trade fai
perhaps deserve special mention.

Outdoor advertising is wide
used, particularly outdoor poste
and signs. A considerable numb
of posters and signs are also
evidence indoors; this includes wi
dow displays and posters on or
public vehicles. Visitors to Italy a
frequently surprised at the relati
popularity of this type of adverti
ing.

Trade fairs are also widely use
in Italy as a means of promotin
goods and services. There are
great many fairs throughout th
country each year, ranging fro
several large international ones
many smaller ones of local interes
Foreign firms frequently employ th
medium to advertise their product
often in collaboration with the
Italian agents.

Advertising Agencies

Italy has a large number of ad
vertising agencies as we know the
in Canada; they range from larg
organizations that can provide fu
agency service on a country-wid
basis to small local firms, some
which offer only specialized ser
vices. Most of the larger and bette
known Italian agencies have affilia
tions with Canadian, U.S. an
British agencies, and several of th
more important international agen
cies maintain branches in Italy
There are also many organization
doing market research; some ar
departments of complete advertisin
agencies and others separate firm
specializing in market research
Foreign firms wishing to advertis
in Italy should have no difficulty i
finding a suitable advertisin
agency.

Italy differs greatly from Canada
national characteristics and tastes.
addition, there are important dif-
rences in local customs and tastes
etween different areas of the coun-
y. These differences must be
cognized and considered by any
rm planning an advertising cam-
aign in Italy. Having advertising copy from abroad translated into Italian presents no problem, but Canadian firms are strongly advised to employ the services of a qualified Italian agency to ensure that they will derive the greatest benefit from their advertising expenditure. This could be done by working through their Italian agent or by direct contact with either an Italian advertising agency or a Canadian agency with affiliations in Italy. The office of the Commercial Counsellor at the Canadian Embassy, Rome, would be pleased to provide interested Canadian firms with further information on advertising in this country. ●

GENERAL NOTES

elgium

CSC STEEL INVESTMENT—Investment programs
the steel industry in the six countries of the European
oal and Steel Community (France, Germany, Italy,
elgium, Luxembourg and the Netherlands) reached
record level of $1,800 million in 1960—a 260 per
ent increase over 1959's $494 million. New plant and
quipment comprised: rolling mills $900 million, steel
nills $350 million, blast furnaces $150 million, other
quipment and construction $400 million. A large part
f the increase was due to the adoption of new oxygen
rocesses, bringing capacity to 17 million tons com-
ared with only 1.2 million tons in 1959. Altogether
he new investments probably increased Community
roduction from 70.5 million tons of steel in 1959 to
3.7 million in 1960—Brussels.

exico

EW CHEMICAL COMPANY—Mexican interests
wn majority shares in a new company, Quimica
eneral, S.A., formed to take over the existing opera-
ons of Celanese Mexicana and to open a new plant.
elanese Mexicana currently produces formaldehyde,
olyester resins, polyvinyl acetates and associated prod-
cts. The new plant will concentrate on petrochemicals
nd derivatives used in the manufacture of pharma-
euticals, paints, plastics and textiles.

Quimica General will be financed mainly by Mexican
apital, with three foreign companies also providing
apital and technical knowhow: Celanese Corporation
f America, Chemcell Limited of Canada, and Farb-
verke Hoechst of Germany—Mexico, D.F.

weden

OREIGN TRADE—Of the Kr.2.4 billion increase in
weden's imports in 1960, Kr.575 million was ac-
ounted for by a rise in base metal, iron and steel
mports. They climbed by 264,000 tons to a new peak
f 1.1 million tons. Machinery imports rose by Kr.309
nillion and means of transport by Kr.220 million. Car imports increased slightly (by 2,000) to 119,841 units. Imports of raw materials rose by Kr.291 million and oil imports went up Kr.204 million (from 10.8 to 13.1 million tons). Chemical imports totalled Kr.197 million and yarns and textiles Kr.113 million, higher than in 1959.

On the export side, Kr.630 million, or one-third the total increase of Kr.1.86 billion, was accounted for by timber, pulp and iron ore. Shipments of sawn and planed timber rose from 1.01 million to 1.1 million standards; chemical and mechanical pulp from 2.7 million to 2.9 million tons; iron ore from 15.6 million to 20 million tons. Paper and paperboard exports were up from 1.1 million to 1.3 million tons and iron and steel from 409,000 to 422,000 tons.

Machinery exports rose in value by Kr.446 million and cars by Kr.99 million (from 6,500 to 58,775 units). Exports of ships remained more or less unchanged.

Swedish imports in 1960 totalled Kr.14.9 billion ($2.89 billion) and exports totalled Kr.13.3 billion ($2.58 billion), leaving a balance of trade deficit of Kr.7.6 million ($310 million)—Stockholm.

West Germany

COST-OF-LIVING INDEX—Changing patterns of personal income and consumer habits in West Germany have led the Federal Statistical Office to alter its cost-of-living index. The base year has been changed from 1950 to 1958 and the index will be based on 434 items instead of 249. Biggest difference in the new index is the reduced importance of food. According to the old index, food absorbed 46.1 per cent of the average family's income; the new index gives it a weight of only 38.5 per cent. Higher weights have, however, been given to home appliances, motor vehicle expenses, education, entertainment, alcoholic beverages and tobacco, reflecting the increased amount of money which Germans find they can spend on these items. Heat and light are given less importance—Bonn.

Argentine Agriculture Faces Problems

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

THE past year has not been notably successful for Argentine farming, either in the cereal or in the meat divisions. Both wheat and meat were dealt severe blows, the first by weather and the second by disease. This greatly reduced their ability to earn much needed foreign exchange.

Wheat to Meat

In recent years, Argentina has never had any difficulty in selling abroad all the wheat it has been able to offer for export. This held good in spite of the fact that both the United States and Canada have had relatively heavy surpluses overhanging the market for several years which act as a threat to the international price structure. However, this favourable situation did not prevent a substantial reduction in the acreage sown to wheat in the 1960/61 crop year. This was due to the fact that, although the wheat trade had been freed from government control, the export retention levied upon it remained partly in force and a substantial section of the wheat farmers felt that if their land were used for meat production, the return would be greater than if the traditional wheat were sown. In addition, seeding conditions for wheat continued to be poor. Unfortunately, even this smaller wheat acreage experienced poor growing weather and the prospect now that harvesting has been completed is that this country is not likely to have more than one million metric tons (36,733,333 bushels) of wheat for export until the new crop is available next December.

Last season, Argentine farmers:

- Diverted land from wheat growing to livestock productio
- Produced only about one million metric tons of wheat t be exported in 1961, instead of the 2.5 to 3 million to that could be sold abroad.
- Grew a bumper crop of corn (4.1 million metric tons) sold nearly all the export surplus.
- Harvested a 30 per cent smaller crop of linseed, onl 570,000 metric tons.
- Continued to replace imported seed-potato stock wit locally grown varieties.
- Lost markets for meat products in U.S., West German Italy and Britain because of foot-and-mouth disease.
- Doubled production of cherries, apricots and peache had slightly smaller apple and pear crops.
- Sold 137,500 metric tons of quebracho extract to foreig customers.

The trend from wheat to meat last year did produce a substantial increase in the meat supplies available for export. Unfortunately, the prevalence of foot-and-mouth disease (aftosa), alleged by several countries to be present in various types of Argentine meat, greatly reduced exports to a number of traditional markets. Moreover, these markets are likely to maintain the severe restrictions until Argentina has eradicated this disease. Only the non-cooked types of meats were affected but these constitute the bulk of exports. Smaller export sales of meat, combined with a relatively very small quantity of wheat for export, indicate a lessene capacity for earning foreign e change during 1961. The savir grace may be the corn crop short to be harvested. If no disast strikes it during the few remainir weeks before maturity, it shoul provide important earning capacit and go a long way toward remedy ing the unfavourable situation cr ated by the inability of wheat t "deliver" this year.

Trade circles in general belie that 1961 will see a complete abou face in the 1960 trend away fro wheat to meat. The partial reduc tion in the export retention on whe (which came too late in 1960 t nfluence more acreage being sown) ow makes the net return on wheat, t the international price level, more ttractive. This, combined with the limination of important export arkets for meat, should mean the eturn to wheat growing of at least ll of the land which in 1960 was urned over to meat production, and ossibly a substantial further acrege.

ffect of Taxation

The main taxation changes during 960 affecting grains and oilseeds oncerned retentions levied on the xport of these commodities. During he year these levies were reduced rom 20 to 10 per cent for the ollowing products: wheat, oats, arley, rye, linseed, sunflowerseed il and linseed oil. This decision enefited exporters greatly. The reention was based on the so-called "basic index or f.o.b. value" set for ach product. For wheat, this mounted formerly to 960 pesos per etric ton—i.e., 20 per cent of the asic f.o.b. value which was 4,800 esos per metric ton. Now it mounts to just half (480 pesos) nd the producer benefits accordngly. Some other minor changes were made during the year in cerain other taxes levied on the grains nd oilseeds trade and upon exports. The table below summarizes the taxation levied on grain exports.

Argentine Taxes on Grain Exports

Statistical charge	0.3 per cent of the index value
Stamps on purchase-sale contract	0.6 per cent of real f.o.b. price
Contribution on export grains (for National Grain Board)	1 per cent of the index value
Business tax	0.9 per cent of actual f.o.b. price less retention
Public works tax (for construction of elevators)	1.5 per cent of the index value
Contribution to the National Technological Agricultural Institute (INTA)	1.5 per cent of the index value
Road tax (for road construction)	0.5 per cent of the index value
Sales tax less: statistical charges export tax elevators INTA road tax export retention	8 per cent of the index value*
Retention	10 per cent of the index value

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*Sales tax of 8 per cent is levied upon the index value after this basic value has been reduced by the combined amount of the six different taxes listed under "less."

Winter-sown Grains

Last year was an exceptionally bad one for wheat; it was favoured neither by weather conditions nor by economic factors. In the first place, the seeded area decreased 10 per cent—to 4,250,000 hectares from the 4,792,300 in the crop year 1959/60. This smaller acreage was not only the result of drought at seeding time but also of the switching over of many producers to other crops or to livestock production. Drought continued for some time and the growing wheat stands suffered from lack of moisture until widespread rains brought welcome relief in late September and October. However, as time went on they proved to be a mixed blessing, because their persistence provoked widespread damage, especially in the northern regions. Fungus diseases, favoured by wet soils and foggy days, also infested extensive areas. A sudden burst of hot weather in late October meant excessive development of the wheat heads and as it was followed by another sudden spell of much cooler weather, extensive shrinkage took place in many stands. Finally, when harvesting was about to be completed, violent wind and rainstorms damaged a wide area in the southern part of the Province of Buenos Aires, and the already disastrous first estimate of production of 4.1 million metric tons had to be cut to 4 million.

At the beginning of the crop year 1960/61, wheat stocks amounted to only about 1.1 million metric tons (including stocks reserved for seed). They would have been lower still had not home consumption decreased during 1960 from the normal 4.1 million to about 3.7 million metric tons. A similar figure is expected for this year. As a result, the exportable surplus for 1961 totals just about one million metric tons, instead of the 2.5 to 3 million which could have been sold for export had it been available.

Oats, barley and rye were affected as badly as wheat by the prevailing conditions. The second official production estimates just published follow, with the percentage decreases from last year's crop in brackets: rye 510,000 metric tons (51.9 per cent); barley 779,000 (30.2 per cent); oats 830,000 (15.6 per cent).

Summer-sown Grains

Corn—Undoubtedly corn provided the bright side of the grain picture during 1960 and prospects that 1961 will see a repeat performance are excellent. The harvesting of the 1959/60 crop of 4,108,000 metric tons was carried out under normal conditions and the grain proved sound and dry. By the end of the year, almost the whole of the export surplus had been shipped out and already some deals are in hand for 1960/61 grain. The 1960/61 sowings were somewhat delayed in certain areas, but once they were completed timely rains favoured them. The latest official bulletin states that although some of the corn areas suffered somewhat in December from lack of moisture, rains fell throughout January and the crops are now in excellent condition. The general opinion in trade circles is that a crop of six million metric tons may be expected.

Grain Sorghum—This also offers a promising picture; the seeded acreage, at 839,000 hectares, is 14.9 per cent above seeded area in the 1959/60 crop year.

Oilseed Crop—The 1960/61 linseed crop suffered a fate similar to the other winter-sown crops. The official estimate of production is a bare 570,000 metric tons, 30.9 per cent below that of 1959/60.

The official provisional estimate for the sunflowerseed harvest for 1960/61 is 1,130,000 tons. This is 9.6 per cent below the previous year's production but the trade believes that the next estimate will show some increase, because the condition of the crop is generally excellent.

Potatoes and Fruit

Total production for the 1959/60 crop year was as follows: early crop 44,500 metric tons; semi-early 236,600; semi-late 1,508,000; late 70,400. So far in the 1960/61 crop year there has been a 48.5 per cent increase in the semi-early crop; early potatoes decreased by 8.5 per cent. The semi-late crop, the most important, was sown on 141,000 hectares, 9.1 per cent less than in the previous season, but the stands are in good shape and promise a good harvest.

Extensive research work has been carried out to create new potato varieties suitable for Argentine soils and growing conditions and to produce enough seed stock to supply the demand. Already locally produced varieties have superseded much of the imported seed; in fact, last year and presumably also during 1961 only some seed of late varieties for the Province of Mendoza was imported, mainly from Denmark and Holland.

Citrus fruit production decreased during 1960, as shown by the following figures: (the one in brackets is the percentage decrease from the previous season): lemons 95,500 tons (5.9 per cent); tangerines 125,000 (25.7 per cent); oranges 474,000 (3.4 per cent) and grapefruit 30,500 (0.8 per cent). The production in 1960/61 of summer fruits shows a much more promising picture. The harvest of cherries, apricots and peaches—at 2,600, 16,200 and 190,500 tons respectively—more than doubled the rather poor crop of 1959/60. Plums (at 41,400 tons) increased by 16.6 per cent, apples (425,700 tons) decreased very slightly, and pears (101,700 tons) fell by 9.8 per cent from the previous season.

Other Crops

The area sown to cotton increased from 604,700 hectares in 1959/60 to 636,000 hectares in 1960/61 and a good yield is expected. The growers are finding, however, that their production and delivery costs are higher than the international ruling price. Nevertheless, the Government has rejected their request for a minimum guaranteed official price or for a production subsidy. The answer to this problem might be the introduction of better seed stock and cultivation methods, thus ensuring a higher yield per hectare.

Rice production for 1959/60 was 190,000 metric tons, 17.5 per cent above the previous season, but this year's sown area, at 55,000 hectares, decreased by 10.7 per cent from last year.

The Argentine forested area is officially estimated at about 123 million acres. One of the most important native species is the red quebracho, from which tannin extract is obtained. This is Argentina's most valuable forest product and the only one exported in other than negligible quantities. These exports totalled 123,432 metric tons in 1959 and 137,502 in 1960.

Livestock and Meat

One of the main drawbacks of Argentine livestock production is the endemic foot-and-mouth disease. The Government has announced it will tackle this problem in all seriousness. It is reported that an intensive campaign to eradica it will be carried out, includi (among other measures) compu sory vaccination of all animals wit a new improved vaccine. Howeve the slaughter of infected herds ha not been decided upon.

This disease greatly restricts potential exports of Argentine fres and semi-cured meats. United State and Canadian regulations prohib the import of infected meats fro all countries. Were these two area with high purchasing power ope to Argentine meats, potential sale could treble overnight and the ave age price obtainable would at lea double.

Total sales of cattle during 196 in the "Liniers" market in the suburbs of Buenos Aires (the mos important one of its kind in Arge tina), and direct purchases fro producers, ex-farm, amounted t 4,097,000 head. This figure is estimated to be 47 per cent of the tota slaughter of the country. The cattl population is estimated at 38 t 40 million head. Compared wit 1959, offerings were proportionatel higher but because of the successiv restrictions of export outlets, demand diminished and prices fell The general average for 1959 wa 15.30 pesos per kilo; for 1960 i was only 13.90 pesos. Exports o hides decreased from the 8,985,25 units of 1959 to 6,952,620 in 1960

Sheep sales for slaughtering purposes are mainly centered in the "Avellaneda" market in the suburbs of Buenos Aires. There were 3,728,509 entries during 1960 compared with 3,037,975 in 1959. Local packinghouses bought 1,639,439 and 2,446,301 respectively in those years. By the end of 1960, up to 520 pesos were being paid for wethers, 650 for ewes and 460 for hoggets. Exports during 1960 totalled 64,308 bales of wool compared with 57,525 in 1959 and 118,624 during 1958.

Sales of hogs from January 1 to November 30, 1960, totalled 1,166,273 head, compared with 1,003,953 in 1959. The price per kilo liveweight increased from an average of 15.24 pesos in December 1959 to 18.11 by January 1, 1961. Exports of pork during 1960 reached only 12,500 tons, down from the 21,018 tons of 1959.

Future Trends

The mechanization of local agriculture has made great progress. The local agricultural machinery industry has been fairly well developed, and many types of implements (up to and including wheat combines) are produced domestically, with the exception of some of the most modern and specialized equipment. Tractor manufacture has been established to the point where the Government will accept no further offers to establish new tractor plants under the Foreign Capital Investment Law. Local tractor prices, however, are much higher relatively than they are in the main producing countries, and this hinders full absorption of the present local production. At present, there is a surplus of locally made tractors.

Although 1960 has in general not been favourable for Argentine agriculture, the outlook is somewhat more promising. Both Government and producers have intensified their efforts to increase yields and quality, improve roads and communications, and adopt the most modern and scientific agricultural methods. The work of the National Technological Agricultural Institute (INTA) deserves special mention. Its many experimental stations all over the country have been carrying out important research and development aimed at improving Argentine agriculture in all of its phases. Co-operative action between official bodies and private producers and their associations has increased recently and it already shows beneficial results. ●

Canada Sells More to Britain

CANADA exported £375 million worth of goods to the United Kingdom in 1960, 20 per cent more than in 1959, according to an analysis by the *Board of Trade Journal*, London. United States exports to Britain jumped by 53 per cent, reaching £567 million. If differences in size of plant and population are taken into account, however, the Canadian figures are considered comparable. The rate of increase in imports from both the United States and Canada slowed down during the last quarter of the year. Imports into the United Kingdom from all sources totalled £4,556 million, up 14 per cent from 1959.

Because 1960 was the first full year since the liberalization of imports from dollar sources, a large increase in imports from North America was to be expected. The larger Canadian sales marked the return of many products shut out from the British market during the last twenty years. Traditional exports, however, such as metals and lumber, also made considerable gains.

The EEC countries exported 19 per cent more to Britain last year than in 1959 and exports from the EFTA countries showed a similar rise. British purchases from France went up 27 per cent, from West Germany 26 per cent, Belgium and Luxembourg 20 per cent, the Netherlands 13 per cent, and Italy 7 per cent. Sweden at 28 per cent and Austria at 29 per cent had the largest increases in sales to Britain of the EFTA countries.

British exports to the Six (EEC) totalled £514 million, up 10 per cent, and to the Seven (EFTA) increased by 10 per cent to £380 million. The accompanying table shows that the United Kingdom buys more from than she sells to all the major trading countries except Communist China and Australia. She exported slightly less to Japan and the United States in 1960 and imported less from Latin America, Australia and Japan.

—B. C. BUTLER,
Minister (Commercial), London.

FOREIGN TRADE OF THE UNITED KINGDOM

(in £ million)

Country or Area	1958 Exports to	1958 Imports from	1959 Exports to	1959 Imports from	1960 Exports to	1960 Imports from
Canada	188 (– 4)*	308 (– 4)	207 (+10)	312 (+ 1)	213 (+ 3)	375 (+20)
United States	272 (+15)	350 (–27)	359 (+32)	370 (+ 6)	322 (–10)	567 (+53)
Latin America	150 (– 8)	295 (–15)	154 (+ 2)	321 (+ 9)	171 (+11)	311 (– 3)
EEC (the Six)	418 (– 9)	533 (+ 9)	465 (+11)	558 (+ 5)	514 (+10)	662 (+19)
EFTA (the Seven)	318 (– 6)	365 (– 8)	346 (+ 9)	391 (+ 7)	380 (+10)	463 (+19)
U.S.S.R. and Eastern Europe	45 (–20)	102 (– 7)	60 (+33)	116 (+14)	76 (+26)	139 (+20)
Communist China	26 (+120)	18 (+30)	24 (– 8)	19 (+ 6)	31 (+29)	24 (+26)
Japan	19 (–31)	35 (+46)	32 (+66)	43 (+22)	27 (–14)	42 (– 2)
Sterling area	1393 (– 3)	1353 (–11)	1341 (– 4)	1442 (+ 7)	1422 (+ 6)	1515 (+ 5)
Australia	235 (+ 0)	198 (–20)	223 (– 5)	222 (+12)	259 (+16)	198 (–11)
New Zealand	128 (– 9)	160 (–12)	97 (–24)	182 (+14)	120 (+23)	185 (+ 2)

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*Percentage change from previous year in brackets.

The Canaries Are Booming

The author recently visited these small islands; found business stimulated by oil search in Spanish Sahara, but trade with Canada small because of shipping problems.

M. T. STEWART, *Commercial Counsellor, Madrid.*

THE oil exploration program begun in the Spanish Sahara about a year ago has sparked a trade and travel boom in the Canary Islands which should produce lasting benefits for the economy. Two large United States oil companies working with Spanish firms are almost ready to drill their first oil wells in the Sahara. Should an important oil or gas field be found, the port of Las Palmas, transhipment point for all supplies going to the Spanish Sahara at El Aiun, will become an important trading centre.

Economic Mainstays

The Canary Islands comprise seven inhabited islands totalling some 3,000 square miles, with a population of about half a million. They are of volcanic origin and extinct volcanoes on which no vegetation grows cover a large area. However the available arable land is extremely rich and exports of tomatoes and bananas are the islands' economic mainstay, although a very limited rainfall troubles and impedes agriculture. Shipping too is important; Las Palmas is one of the foremost bunkering ports in the world. In 1960, 5,344 foreign vessels called at Las Palmas (chiefly for fuel oil), and of these, one was of Canadian registry.

The mild sunny winter climate attracts many tourists, and during these months hotel space on the Grand Canary (Las Palmas) and Tenerife, Santa Cruz and Puerta de la Cruz is at a premium. But the climate is agreeable all year round; it is not overly hot in summer. The islands are now within easy reach, by jet, of Britain and Northern Europe and the tourist trade, particularly at Tenerife, is expected to develop further. A Canadian recently acquired a concession of 2,500 hectares with nine beautiful beaches on the island of Lanzarote, and is setting about financing an important tourist development. The area is said to provide some of the finest deep-sea fishing and skin diving in the world, plus a fine sunny climate.

Trade Liberalized

The islands, though part of Spain, since 1900 have had free ports (in theory at least), although the trade restrictions imposed by Spain after the Civil War naturally caused difficulties. However, since introduction of the Stabilization Plan in July 1959, most of the trade has been liberalized and the shops are filled with a wide range of imported consumer goods, mostly from Britain, selling at very reasonable prices. Imports into the islands are not subject to the Spanish customs tariff, although certain local levies are made to raise revenue. The leading brands of Scotch whiskies, with taxes paid, sell for less than half the London price and the same is true of English gin. The United Kingdom sells the Canaries most of its automobiles and the retail prices of these cars, which are freely

A view of the port of Santa Cruz and, in the background, the Anaga Mountains.

ailable to everyone, are reasonble. However, automobiles canot be transferred to the mainland here restrictions are very rigid.

o Trade with Canada

Canada has not carried on trade ith the Canaries, chiefly because the lack of direct shipping from anadian ports; any of our primary oducts that cannot stand tranipment charges are not likely to competitive. Las Palmas is well rved by direct sailings from the ulf ports and New York and there a steady movement of fruit boats tween Britain, Las Palmas and nta Cruz. Other lines go to Hamburg and Scandinavia as well. The natural flow of trade is between the Canaries and the United Kingdom; there is a marked English influence on the islands, seen in the number of old and well-established British shipping and merchant firms and insurance companies.

Oil Discovery the Key

It is difficult to foresee any important trade developments between Canada and the Canaries, mainly because of the shipping problem. However, some consumer goods might find a small market. Just now an importer is trying to sell a small shipment of Canadian canned hams, apparently the only Canadian product imported so far. There is a good market for kraft paper and other wrapping papers for fruit exports. There is some demand for timber, but this is supplied chiefly by Scandinavia, where ample shipping service carries cargo both ways. Sample shipments of ripe tomatoes have been sent to Canada recently and if this trade develops, it could help our exports. But the potential market is limited and the key to the future lies in the Spanish Sahara a short distance away, where the discovery of oil would open a new chapter for the islands. ●

ran's Industries Are Growing Up

Springing up of new plants, some aided by foreign capital and knowhow, is affecting sources and pattern of Iranian imports; increasing the competition faced by Canadian suppliers.

. B. BRODIE, *Commercial Counsellor, Tehran.*

AN'S industries are taking on eater importance and are tending change the pattern of imports into e country. During the past three ars, inexpensive loans have been anted to many medium and largezed industries to aid their growth. utside technical knowhow has en a major factor in the developent of many of the more promising anian industrial ventures and will come even more vital over the xt ten years.

The great oil production of Iran s sparked industrial expansion d has provided some of the capil for most of the major projects. he more important industries toy include textiles, cement, carts and (to a lesser degree) sugar beets. The new medium-sized plants —many of which have been set up within the past three years—are enjoying a worthwhile domestic market. The list of factories is lengthy but of particular interest to Canadian suppliers of raw and semi-finished materials are those in the following fields: metal and wooden furniture, beer, tanning and leather, pharmaceutical laboratories, rubber goods, plastics, soap and margarine, space and water heaters, aluminum (extruding and sheeting), flour mills, cigarettes, automobiles and trucks. New plants which will probably be constructed in Iran over the next 18 months vary from automobile and transistor factories to a major petrochemical installation in the south. A large tire factory and a modern household refrigerator plant will both go into production very soon and will eventually turn out some 50 per cent of Iran's requirements.

Assistance to New Industries

The Ministry of Industries and Mines—as well as the newly formed Industrial and Mining Development Bank—are encouraging the development of new industries based on sound principles and able eventually to stand on their own feet. The generous flow of financial assistance that Iranian plants have been enjoying, at most attractive rates of interest, from the currency revaluation fund (through the Ministry of

Industries and Mines) during the past few years has unfortunately dried up. With a further tightening up of bank credits, new industries are running into difficulties in finding sufficient funds to expand their production and still maintain adequate working capital to carry on their operations.

Under the Third Iranian Plan Organization (which is scheduled to start in September 1962) the Government will endeavour to encourage the expansion of small and medium-sized industries by granting worthwhile incentives to local investors. These will take the form of long-term loans bearing low interest rates and exemption from customs duties of those raw materials which make up the end product. The Industrial Mining and Development Bank (IMDB),* which started its activities over a year ago, has already granted loans to some twenty industries important to the economy. Among others receiving this financial assistance are a fruit and vegetable canning and processing industry, a modern laundry and dry-cleaning plant, a grape drying and packing factory, a biscuit factory, a match plant, a shoe manufacturing firm, an automatic brick factory, a manufacturer of rubber flooring and plastics, and a vegetable oil plant.

Government Concessions

Government concessions currently granted to new industries include:

- Exemption from customs duties of imported machinery and spare parts for new plants. In certain preferred industries, an exemption from customs duties for ten years has been granted for imported raw or semi-finished products going into the end product.

- Exemption of 50 per cent in taxes if the location of the plant is under 60 kilometres from Tehran. At a location over 60 kilometres radius from Tehran, industries are exempt from all taxes for five years. Thereafter, they are exempt from 50 per cent of all taxes.

- Tariff protection, if it is necessary to withstand foreign competition.

- Prohibition of the import of certain specified products if it can be proved that Iran can supply her entire domestic requirements.

Problems Facing Industry

Iran, in common with other Middle East countries which are in the early stages of industrial development programs, is confronted with a number of problems. The most important are communications (rail, road and port facilities), sufficient working capital, and a dearth of skilled manpower. To alleviate the latter and train Iranian workers, many plants have found it profitable to employ Western Europeans (Germans, Dutch and British for the most part) and specialists from Hong Kong and Japan. Certain plants have made remarkable progress and have manufactured good quality products at reasonable factory costs. Others are encountering production problems with products that demand a higher degree of skill from workers.

Effect on Canadian Exports

To carry out a stabilization program and improve her foreign exchange position, Iran introduced on September 6, 1960, many new commercial profits taxes covering a wide range of luxury and semi-luxury
products (see *Foreign Trade*
October 22, 1960). These ne
taxes, which are applied in t
same manner as customs duti
will tend to reduce the flow of ce
tain imported products and, in son
cases, shut out other commoditi
entirely. To meet this austerity pr
gram, Iranians are now endeavou
ing to associate themselves wi
European and other manufacture
in building modern plants in t
country. These new plants will cr
ate a demand for a wide range
raw and semi-manufactured pro
ucts which are not found nor pr
duced in the country. The extent
these new trade prospects will d
pend, however, on the degree
foreign participation in Iranian i
dustries over the next eightee
months. It is now clear that at lea
one Western European country i
tends to play a more active an
important role in Iran's industri
development before too long.

This outside foreign participatio
in Iranian industries at this time w
undoubtedly influence the sourc
of supply for the many importe
products needed to keep these ne
plants alive. On top of this like
diversion of raw materials to spec
fied European and other countrie
the United States assistance pro
gram, through the Developme
Loan Fund (DLF) and the Inte
national Co-operation Administra
tion (ICA)—now that offshore pu
chasing has been forbidden—wi
present additional obstacles. The
and other problems will be faci
Canadian exporters to Iran.

Green Turtles for Jamaica

Nine hundred green turtles have join
their brothers cruising about in Cari
bean waters off the coast of Jamaic
Brought from Haiti, the turtles we
supplied by the Caribbean Conservati
Corporation (an affiliate of the Universi
of Florida) to the Jamaican Ministry
Agriculture and Lands. The restockin
program began last year when the Mini
try released several hundred turtles.

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*The Agreement for the Industrial Mining and Development Bank was signed on March 1, 1959. The bank has two functions: (a) to make long-term and medium-term investments in mining and other private enterprises of importance to the economy of Iran; (b) to act as an investment bank and underwrite and distribute issues of securities with a view to building up a local capital market where Iranian investors can put their savings to work. The capital, $23.7 million in cash and $18.7 million in loan portfolio, was realized from foreign industrial and banking interests, plus a portion from the Iranian Government.

The Netherlands Toy Industry

The market for toys in the Netherlands is expanding steadily and the versatile Dutch industry does not meet the entire domestic demand. Canadians are selling skates and sleighs; may succeed in other lines if they can match EEC and Japanese competition.

J. C. BRITTON, *Commercial Counsellor, The Hague.*

HERE is a substantial, growing arket for toys in the Netherlands. omestic manufacturers are cater-g to the demand but imports are lso large, exceeding $9 million in 960. Dolls and plastic and metal ys are the principal imports; the ain suppliers are the Netherlands' EC partners and Japan. The utch also export toys, chiefly to arkets in Western Europe. Can-da participated actively in the etherlands toy trade before and mmediately after the war but re-ently Canadian toy exporters have xperienced difficulty in meeting omestic, Western European and apanese price competition. How-ver, a number of Canadian firms re actively investigating sales pros-ects here.

Holland has been making toys for more than a century, but the local industry was small before the war and the bulk of the toys were imported. During the war, local manufacturers increased their output of wood and cardboard toys and in the past fifteen years the industry has expanded rapidly. Now toys are made from metal, wood, cloth, rubber, cardboard, glass, ceramic materials and plastics.

Wooden Toys—Wooden toys still account for more than 50 per cent of local production although plastic toys are making gains. The wooden toy industry sprang up near and around sawmills; during the slack winter months, waste wood was fashioned into toys. Now all types of passenger cars, buses, trucks and trailers, trains, streetcars and ships are made from wood. Design and colours are attractive; the workmanship and finish excellent. A large variety of hoisting equipment is also made; toys which can travel, rotate and hoist are very popular with boys. Wooden toys for girls include dolls' houses, furniture and carriages.

Babies' Toys—There is a steady output of babies' toys such as rattles, rubber dolls and animals—animals of shiny plastic filled with soft wool, plastic animals (mainly teddy bears, monkeys and dogs), and ducks and fish of celluloid or some other synthetic material.

Dolls and Dolls' Clothes—The Dutch make dolls from rubber, papiermâché, cloth, celluloid and plastic. They are generally colourfast, washable and non-inflammable, and are produced in various colours for children in all parts of the world. Even Eskimo dolls are available. A specialty of the industry is dolls in traditional Dutch costume: boys and girls from Zealand, Volendam, Marken and Scheveningen, all with wooden clogs. Dolls' clothes are attractive and well in line with current fashions; dresses, skirts and blouses, overcoats, suits and raincoats come in all sizes. In addition, the industry produces dolls for Punch and Judy shows that are outstanding in characterization and workmanship.

Tricycles and Scooters—The Netherlands has an enormous number of bicycles; tricycles and scooters are therefore very popular with the youngsters. There is hardly a Dutch child who does not own one or the other. The industry makes a large number of them, of good quality, to meet the great demand.

Building Blocks and Construction Sets—Building blocks are made in a wide selection. The industry produces bars containing cubes, triangles, long and short bars, arches and pillars. It sells special boxes for building houses or assembling vehicles (trucks, mobile cranes, tipping wagons, streetcars and aircraft). There are sets for building villages, gardens, farms and railway yards, and also mechanical construction sets with which numerous structures can be assembled from separate parts by means of screws, bolts and nuts. It is possible, for instance, to build machines that are driven by miniature motors powered by small batteries or by current from the mains brought through a transformer. The sets are sold in different sizes and in series. The simplest is gradually expanded by adding other sets to build more and larger structures.

Radio Sets—The building of radios is an instructive pastime for boys with technical abilities. A series of transistor radio construction sets is marketed by a Netherlands company. The simplest one is a radio receiver for listening to hom stations on headphones. A bo gradually advances until he has receiver with loudspeaker. With

Netherlands Imports and Exports of Toys 1960

	Imports		Exports	
	Metric tons	Dollars	Metric tons	Dolla
Children's Vehicles				
Total of which:	846	528,320	495	430,0
Belgium-Luxembourg	157	135,200	77	74,6
West Germany	289	185,640	9	8,5
East Germany	187	73,840		
Switzerland			133	114,1
Austria			54	44,9
Dolls of All Kinds				
Total of which:	548	1,003,080	100	277,4
Belgium-Luxembourg	4	11,480	69	181,2
France	15	67,080		
West Germany	56	158,340	22	51,7
East Germany	98	84,500		
Italy	208	387,920		
Japan	58	116,740		
Hong Kong	53	102,180		
Plastic Toys				
Total of which:	1,900	3,336,580	506	769,6
Belgium-Luxembourg	227	437,580	294	437,0
United Kingdom	166	286,260	2	6,2
West Germany	545	872,820	116	152,6
Denmark	338	76,700	9	18,7
Switzerland			39	62,1
Japan	136	225,160		
Hong Kong	189	281,580		
Wooden Toys				
Total of which:	746	423,540	358	321,6
Belgium-Luxembourg	14	11,700	186	135,4
West Germany	33	9,880	101	103,2
East Germany	212	99,840		
Switzerland			13	13,0
Rumania	127	35,100		
Czechoslovakia	54	43,420		
Hungary	54	15,600		
CANADA			5	5,9
Japan	58	50,700		
Metal Toys				
Total of which:	2,122	2,915,380	116	138,8
Belgium-Luxembourg	30	26,260	103	116,7
United Kingdom	254	510,380	1	3,6
France	45	102,960		
West Germany	674	1,328,080	8	10,4
East Germany	157	93,080		
Poland	158	46,020		
Rumania	123	21,580		
Japan	610	723,840		

Netherlands Imports and Exports of Toys 1960

	Imports		Exports	
	Metric tons	Dollars	Metric tons	Dollars
Toys of Other Materials				
Total	962	847,340	279	217,100
of which:				
Belgium-Luxembourg	16	28,340	66	76,180
United Kingdom	35	35,620	44	9,360
France	3	4,940	14	3,640
West Germany	143	268,320	115	82,940
East Germany	236	155,480		
Poland	78	47,320		
Japan	418	270,920		
Surinam			10	17,160
	No. of pairs	Dollars	No. of pairs	Dollars
Ice Skates				
Total	57,190	153,140	1,265	13,260
of which:				
West Germany	30,910	73,320	500	2,080
East Germany	3,320	8,060		
Norway	5,777	23,140	230	2,080
Sweden	1,682	4,420		
Austria	1,000	3,120		
Czechoslovakia	6,528	26,000		
United States	1,500	3,120		
CANADA	4,678	7,540		
Roller Skates				
Total	94,857	247,000	2,643	8,580
of which:				
Belgium-Luxembourg	4,406	10,920	1,960	7,020
United Kingdom	24,119	44,200	619	1,300
West Germany	63,312	185,640		
East Germany	2,950	5,460		

NETHERLANDS TARIFF ON IMPORTED TOYS

	General tariff	EEC tariff	Proposed general tariff	Sales tax*
	(in per cent)			
Children's bicycles, tricycles, scooters, automobiles, dolls' carriages	20	14	21	5
Dolls, also dressed	20	14	25	8
Dolls' clothes, shoes, hats	20	14	21	8
Other dolls' parts	13.5	8.4	21	5
Other toys	20	14	24	5

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*18 per cent for clothes made wholly or chiefly of natural furs; furniture upholstered wholly or mainly with leather; electric trains and electrically driven parts thereof.

Sales tax is levied on the duty-paid value of the goods.

good aerial and proper earth connection, reception is guaranteed from any station within a radius of 60 miles. The assembled receivers operate on torch batteries and are completely safe. Transistors consume a minimum of current, so that receivers can be used for long periods without battery replacement. All sets are provided with detailed instructions, diagrams, pictures of parts, drawings and soldering equipment.

Table Games—Netherlands manufacturers offer a wide selection of table games. Extremely popular are the football games and shovelboards are also in great demand. Ping pong sets come complete with bats, net, iron net-posts and balls. A 96 by 48-inch ping pong table is available for the living room or a 108 by 60-inch one for competitions. Both are of excellent quality. Bingo is gradually becoming more popular and well-finished bingo games are turned out.

Roller and Ice Skates—Roller skating is fairly popular. Demand for ice skates and sleighs is good but sales are often affected by mild winters when there is no ice or snow. In spite of local and Western European competition, Canadian ice skates and sleighs sell on the Netherlands market.

Equipment for Kindergartens—All materials necessary for kindergartens are manufactured in the country: clay, zinc trays for clay, clay tools, modelling spatulas; paints, coloured pencils; paper and cardboard in pretty colours for folding, cutting and pasting; Froebel mosaic and all materials for braiding, embroidering and stringing beads; adhesive figures in glazed paper, jigsaw puzzles and counting frames.

Imports and Exports

Netherlands imports and exports of toys in 1960 are shown in the accompanying tables.

Import duties are a serious handicap to exporters located in other than EEC countries (Netherlands, Belgium, Luxembourg, West Germany, France and Italy). Rates on EEC goods will gradually be reduced to nil but the general tariff will be raised to the proposed figures. ●

The Librarian Suggests

In December the Department of Trade and Commerce library prepared a selective list of publication of general interest to exporters and of particular value to those inexperienced in this field. This issue o *Foreign Trade* lists some of these publications covering Europe, Asia and the Middle East. Lists on th Commonwealth, Latin America, the West Indies, and the United States will appear in coming issue *Foreign Trade* cannot undertake, however, to provide or to order copies of any of the publication

Publications on Export Trade

Europe

Books and Pamphlets

THE COMMON MARKET. J. P. Deniau. Translated from the French edition. Outline of the structure and purpose of the European Common Market. Barrie and Rockliff with Pall Mall Press. London, 1960. 139 pages. Price: $2.10. Order from: Smithers & Bonellie Limited, 266 King Street West, Toronto 2B, Ontario.

COMMON MARKETS, FREE TRADE AREAS AND CANADA. Papers presented at a panel discussion at the twelfth annual meeting of the Canadian Council, International Chamber of Commerce, 1958. 38 pages. Free. Order from: Canadian Council, International Chamber of Commerce, 1224 St. Catherine Street West, Montreal, Quebec.

THE EUROPEAN COMMON MARKET AND ITS MEANING TO THE UNITED STATES. Committee for Economic Development. New York, 1959. 152 pages. Price: $2.00. Order from: Committee for Economic Development, 711 Fifth Avenue, New York 22, New York.

EUROPEAN FREE TRADE ASSOCIATION. Compendium for the use of exporters. Board of Trade. London, 1960. 150 pages. Price: $1.09. Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ontario.

THE EUROPEAN FREE TRADE ASSOCIATION. A preliminary appraisal. Miriam Camps for Political and Economic Planning, London, 1959. 38 pages. Price: 56 cents. Order from: Political and Economic Planning, 15 Queen Anne's Gate, London, S.W.1, England.

THE EUROPEAN FREE TRADE ASSOCIATION. A special bulletin for industry prepared by the Information Division of the Treasury. London, 1959. 6 pages. Free. Order from: United Kingdom Information Service, 119 Adelaide Stree West, Toronto, Ontario.

INTERNATIONAL MARKET GUIDE, CONTINENTAL EUROPE, 1961. General marke information and a list of 75,000 manufacturers wholesalers, sales agents, and other importer in sixteen European countries. Dun and Bradstreet ratings of the companies are given. 1,00 pages. Price: $250.00. Order from: Dun an Bradstreet Inc., 99 Church Street, New York 8 New York.

THE SEVEN. A provisional appraisal of th European Free Trade Association. F. V. Meyer Barrie and Rockliff with Pall Mall Press. London 1960. 140 pages. Price: $2.52. Order from Smithers and Bonellie Limited, 266 King Stree West, Toronto 2B, Ontario.

U.S-.SOVIET TRADE. Facts for the business man's appraisal. Study prepared by graduat students at the Harvard Graduate School of Business Administration. An excellent source of information on the Soviet business structure U.S.-Soviet trade relations, existing trade procedures and practices, and recent trade experience. Trade Research Associates. Cleveland 1960. 230 pages. Price: $18.50. Order from Trade Research Associates, Box No. 5616 Cleveland 1, Ohio.

Periodicals

BULLETIN DE LA COMMUNAUTE ECONOMIQUE EUROPEENNE. Monthly. Publication available in French, German, Italian, o Dutch. Current activities of the European Economic Community are covered. Free. Order from European Economic Community, Avenue de l Joyeuse Entree, Brussels, Belgium.

EFTA BULLETIN. Monthly. Covers curren activities of the European Free Trade Association

Free. Order from: Information Department, European Free Trade Association, 32, Chemin des Colombettes, Geneva, Switzerland.

EUROPEAN PRODUCTIVITY. Four to six times a year. Contains articles on the general aspects and problems of productivity in Europe, case studies of productivity achievements in various spheres, and news of the activities of the European Productivity Agency, national productivity centres and kindred organizations. Free. Order from: European Productivity Agency, Organization for Economic Co-operation and Development, 2 rue Andre-Pascal, Paris 16e, France.

OPERA MUNDI-EUROPE. Weekly. Published in French, German and English editions. Provides current information on the European Economic Community, European companies, institutions and government activities. Price: $210.00 a year. Order from: Business Intelligence Services Limited, Mercury House, 109-119 Waterloo Road, London S.E. 1, England.

UN ECONOMIC BULLETIN FOR EUROPE. Three times a year. Provides a regular review of the economic situation in Europe, with articles on subjects of particular current interest. Developments in Communist countries are included. Price: 50 cents a copy; annual subscription, including Annual Survey, $4.00. Order from: The Queen's Printer, Ottawa, Ontario.

UN ECONOMIC SURVEY OF EUROPE. Annual. An analysis of current developments in the European economy, with special attention to trade, balance of payments. Developments in Communist countries are included. Price: $3.00. Order from: The Queen's Printer, Ottawa, Ontario.

Asia and Africa

ooks

UN ECONOMIC SURVEY OF AFRICA SINCE 1950. Analysis of the economic structure and development of African countries, with emphasis on the development of external trade. United Nations Department of Economic and Social Affairs, 1959. Price: $3.00. Order from: The Queen's Printer, Ottawa, Ontario.

THE MIDDLE EAST. Annual. A survey and a directory. Price: $13.50. Order from: Europa Publications Limited, 56 Bloomsbury Street, London, W.C. 1, England.

ECONOMIC DEVELOPMENTS IN THE MIDDLE EAST. Annual. A UN publication. Review of the main economic developments in the countries of the Middle East, including trade and balance of payments. Price: approx. $1.25. Order from: The Queen's Printer, Ottawa, Ontario.

ECONOMIC SURVEY OF ASIA AND THE FAR EAST. Annual. A UN publication. An analysis of current developments in the economy of these regions, with special attention given to trade and balance of payments. Price: $3.00. Order from: The Queen's Printer, Ottawa, Ontario.

Periodicals

EASTERN ECONOMIST. Weekly. Mainly concerned with Indian economic development, but includes articles on Europe and other areas. Price: $16.00 a year. Order from: Eastern Economist, 52 Queensway, New Delhi, India.

FAR EAST TRADE. Monthly. Articles review public affairs, business, industry, economy and trade of the Far East countries. Price: $3.36 a year. Order from: Laurence French Publications Limited, 3 Belsize Crescent, London, N.W. 3, England.

INDUSTRIAL REVIEW OF AFRICA. Monthly. Contains articles and notes on the recent developments in trade, industry and economic conditions in various African countries. Price: $5.60. Order from: Industrial Review of Africa, P.O. Box 10674, Johannesburg, South Africa.

MIDDLE EAST ECONOMIST AND FINANCIAL SERVICE. Monthly. Covers the current activities in trade and finance and economic conditions in the Middle East countries. Price: $15.00. Order from: The Middle East Economist, 66-19 Alderton Street, Forest Hills 74, New York, New York.

NEW COMMONWEALTH. Monthly. Articles on various aspects of industrial, political and trade affairs in the Commonwealth, with emphasis on Africa and Asia. Price: $6.00. Order from: Tothill Press Limited, 33 Tothill Street, London, S.W. 1, England.

ECONOMIC BULLETIN FOR ASIA AND THE FAR EAST. Three times a year. A UN publication. Provides a regular review of the economic situation in Asia and the Far East, with articles on subjects of particular current interest. Price: 50 cents a copy. Annual subscription, including Annual Survey, $4.00. Order from: The Queen's Printer, Ottawa, Ontario.

(Right) The salesman is explaining to potential customers some of the finer points of the wringer-type washing machines, made in Guelph, on display at the fair. This firm also exhibited automatic washers, ranges and freezers. (Below) Impossible to sell textiles in Britain? Our enterprising exporters prove it can be done. British housewives are examining with appreciation the smart designs and good materials used in Canadian towels, pillowslips, and sheets, shown by the London agent.

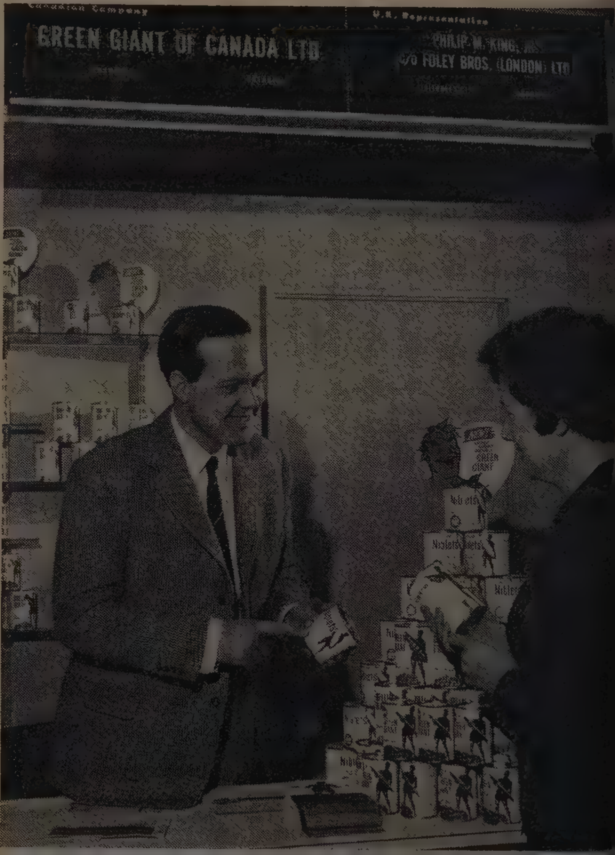
CANADA / for quality
GILSON

Canadian Products Attract London Buyers

When the Ideal Home Exhibition opened at Olympia, London, on March 7, ninety-eight Canadian compani had their products on display. Canada was making its second appearance at this fair, which ran until April

CANADA for quality

(Above) "Mixes" that make cooking easy drew attention at this Canadian booth; the two visitors on the left examine the "pouch-pak" cake mix. Buying was stimulated by the offer of a free sandwich tin with purchase of any two packets. (Right) Vegetables grown and canned in Canada are being promoted by the personable British representative of the Canadian firm. The same company exhibited at the Ideal Home Exhibition in 1960 and also at the British Food Fair in September.


Canadian Company
GREEN GIANT OF CANADA LTD.
U.K. Representative
PHILIP M. KING, ...
c/o FOLEY BROS. (LONDON) LTD
Niblets

Shipping by Air Parcel Post

you are exporting small-size or lightweight products, have you
ed air parcel post? Here is advice on when and how to use it.

ENDELL FULTON, *Assistant Trade Commissioner, Ottawa.*

RE you using air parcel post in
ur export business? If not, or if
u employ it only occasionally,
u may be overlooking the impor-
nce and potential advantages of
is service, as near as your local
st office.

If you have a package weighing
enty pounds or less that you want
ship by air because speed is of
essence, a number of choices are
en to you. These include air par-
post, air express and air freight.
ort of using first class airmail,
fastest, most economical method
shipping small-size or lightweight
oducts abroad is often air parcel
st.

Air parcel post service is avail-
le to most countries. Ordinarily,
ximum weight for packages is
pounds. Minimum size for par-
s is 4 x 2¾ inches and the maxi-
um is 3½ feet in length, width or
pth but the combined length and
th must not exceed 6 feet. The
nimum charge for air parcel post
rvice is based on a minimum weight of 8 ounces, with extra charges for each additional 4 ounces or fraction thereof. Each country has a list of articles that cannot be shipped there by air parcel post. Information about these prohibitions, import restrictions, weight limits, postage rates and insurance is given under country headings in the *Canada Official Postal Guide*. Exporters should consult their local Post Office for conditions of entry of parcels into various countries.

Documentation Needed

Documentation required for packages sent by air parcel post is not complicated. All such parcels must bear an adhesive Customs Declaration Form 91 B, fully completed. In addition, certain countries require one or more non-adhesive Customs Declaration Forms 15 B and a Dispatch Note Form 16 B. (Any Post Office can furnish copies of these.) In addition, where the value of the package is more than $10.00, a Customs export entry form must be surrendered with the parcel to the Post Office. This form is available from local Customs offices. Exporters should always check to see whether an export permit is needed; it is required for all goods intended to be shipped to any destination placed on an Area Control List established under the Export-Import Permits Act or Regulations. Certain goods enumerated in an Export Control List, also established under the authority of the Export-Import Permits Act or Regulations, need a permit when shipped to any destination. Information on export permits can be obtained from local Customs offices or direct from the Department of Trade and Commerce in Ottawa. The shipper dispatches directly to the consignee any customs invoice or other documents which he will need to clear the package at its destination. These documents are not usually enclosed in the package nor may they be affixed to the outside.

Once the parcel arrives in the country to which it is addressed, the receiver clears it through Customs, pays duty where applicable, and then takes possession. A word of caution—although a parcel can be sent to most countries in under three days by air parcel post, it may in certain cases take considerable time for the addressee to clear the parcel through Customs.

Air Freight and Air Express

Packages of all sizes can be sent by air freight, with service available to most countries. Air freight is designed essentially for the rapid delivery of larger shipments. The minimum charge for this service, regardless of the size of the parcel, is $8.00 for destinations across the Pacific, $9.00 for transatlantic shipments, and $10.00 for South American points. Packages are accepted on the basis of "shipment when

COMPARE THESE AIR SHIPPING RATES

	1 lb.	2 lb.	3 lb.	5 lb.	10 lb.
London					
Air freight	$ 9.00*	$ 9.00*	$ 9.00*	$ 9.00	$12.80
Air parcel post	1.80	3.40	5.00	8.20	16.20
Buenos Aires					
Air freight	10.00*	10.00*	10.00*	10.00*	16.00
Air parcel post	3.30	5.90	8.50	13.70	26.70
Hong Kong					
Air freight	8.00*	8.00*	8.00*	11.45	22.90
Air parcel post	3.20	6.00	8.80	14.40	28.40
Johannesburg					
Air freight	9.00*	9.00*	9.09	15.15	30.30
Air parcel post	3.95	7.55	11.15	18.35	36.35

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*Minimum charge.

space available." Special rates are offered for a number of commodities shipped in amounts of 100 pounds or more.

Commercial airlines operate air express service to the United States. It is designed essentially for transmission of smaller packages and is available only in the United States and Canada. Canadian National Express will pick up the parcel, dispatch it by air as soon as is convenient, and deliver it to the customer's residence or business after he has cleared the package through Customs. The minimum charge is $1.50 for parcels shipped to a Canadian address and $3.50 for the United States. The charge is based on a unit of eight ounces; any excess is treated as if it were another half-pound. Packages may also be sent to the United States at the airmail rate of 7 cents for the first ounce and 5 cents for each ounce thereafter.

The accompanying table compares some air parcel post and air freight rates to four destinations.

Advantages Noted

The reader will note that air freight is expensive unless the weight of the package places it above the minimum charge. Air parcel post is higher when the cost is more than
the $8.00, $9.00 or $10.00 n
mum charge for air freight, as
case may be.

Air parcel post is most c
venient for relatively light par
where speed of transmission is
sential at the lowest possible c
It is an excellent method for ra
dispatch of lightweight samples
of any lightweight products of h
value.

The 1961 *Canada Official Po
Guide* (available for $2.00 from
Queen's Printer, Ottawa) g
complete information on air pa
post. A monthly supplement c
taining changes in the regulati
costs $1.00 a year. ●

FOREIGN TARIFF
AND TRADE REGULATION

Brazil

EXCHANGE RATES ALTERED—Our Commercial Counsellor in Rio de Janeiro reports that, by Decree No. 204 of March 13, 1960, the Brazilian Government has made several important changes in exchange rates applicable to imports.

General Category—Exchange for import of goods classified in the "General Category" in the Brazilian exchange control system must be purchased on the free market. Purchases will be limited to $20,000 per week per firm, although the Decree provides for larger quotas to be established in proven cases of necessity.

Special Category—Exchange for goods classified in the "Special Category" will continue to be available under the exchange auction system. (Recent rate approximately 660 cruzeiros per U.S. dollar.)

Preferential Imports—Exchange for goods previously enjoying the favoured 100 cruzeiros per U.S. dollar, such as newsprint, fertilizers, wheat, oil, industrial equipment and printing machinery, will now be available at the fixed rate of 200 cruzeiros per U.S. dollar. It is announced that the difference between this rate and the free market rate is to be progressively eliminated, beginning in the second half of this year.

Ceylon

IMPORT CONTROLS AND TARIFF CHANGES—On January 25, 1961, in an effort to conserve foreign exchange, the Controller of Imports and Exports, C
lon, announced that individual licences would
required for imports of the following goods from
countries:

Biscuits; cocoa (prepared); coffee, roasted ground; coffee, roa
and not ground; coffee, not roasted and ground; confectionery
cluding chocolates); tamarind; fruits, fresh apples and grapes;
rants; raisins; jams, jellies and marmalades; fruits, preserved
sugar, syrup or spirits; vegetables preserved or tinned; sauces; f
cordials; pearls (natural and cultured unset); precious and se
precious stones (cut and uncut); chinaware, porcelainware
stoneware other than sanitary fittings and satsumaware; dome
and fancy glassware; platinum; photographic instruments, applia
and apparatus (including paper, plates and films); wireless go
and apparatus; electrothermic apparatus (including domestic ap
ances); electric fans (complete); refrigerators and refrigerating
chinery; sewing machines (household); footwear; account boo
exercise books in paper covers; albums; motor cars (including mo
station wagons); motor cycles and motor scooters; motor lorr
chassis with engines mounted for motor buses, motor trucks
motor lorries; imitation jewellery; jewellery, including silver, go
silverplated and goldplated wire and thread; musical instrume
and parts and accessories; gramophones and phonographs, includ
parts and accessories, and records; powder, face and bath,
eau-de-cologne; toothpaste and dentrifices; fountain pens; toys
parlour games; travel goods and handbags; rubberized clothi
manufactures of plastic, vinyl, polythene or any other sim
material; cotton piecegoods; cloths and stuffs, pure wool; fabrics
synthetic fibre and spun yarn; stockings and hose; cotton und
wear and nightwear; sarees of any material; cotton camboys, ha
loom; cotton garments, outerwear; cotton handkerchiefs; hab
dashery; clothing.

To further conserve foreign exchange the Ceylon overnment on the same date announced the imposin of an import surcharge of 5 per cent of the value the goods on all goods, other than food and goods mitted free of duty under the customs tariff.

The Ceylon Government also announced increases the duties on certain goods, including the following ormer rates in parentheses):

Motor vehicle spare parts and accessories 30 per cent (15 per nt); newsprint 50 per cent (5 per cent); other writing and printing per 10 per cent (5 per cent); fountain pens and parts, excluding s of a c.i.f. value exceeding Rs.5.00, 87½ cents plus 150 per cent the excess of the c.i.f. cost over Rs.5.00. (17½ per cent plus per cent of the excess). The 5 per cent surcharge described ove is levied in addition.

an

IPORT REGULATIONS ANNOUNCED—The rrency and Credit Board of the Central Bank of an has recently announced important import regulans in an effort to improve the serious balance-ofyments position of the country. The following extracts om these new regulations will be of particular interest Canadian firms:

A. Effective March 21, 1961, (the beginning of the anian year 1340), importers are allowed to import e following goods through *documentary credits* or llections:

1. Industrial and agricultural machinery and spares
2. Pharmaceuticals and specialties
3. Chemicals and all types of dyes and paints for industrial purposes, provided they are imported by local factories
4. Natural and synthetic rubber
5. Chemical fertilizers and insecticides
6. Trucks, vans and buses
7. All types of plastic material, whether in the form of powder, crystals, tubes or sheets
8. Artificial silk, nylon and perlon yarn, and other artificial fibres for use by local factories
9. Raw wool for use by local factories
10. Machine-spun yarns and fine wool yarn for use by local factories
11. Metal in the form of wire, sheets, plates and bars for use by local factories
12. Ox or buffalo hides
13. Newsprint and writing paper

B. Other goods not mentioned in the foregoing paraaph (Paragraph A) are to be imported only *under cumentary letters of credit,* irrespective of whether ey are imported against foreign exchange reserves of anian banks, ICA funds, or through bilateral trade reements.

C. Documentary credit deposits are to be accepted the following manner:

) A minimum of 40 per cent from firms of high edit standing for the following products:

1. Powdered, condensed, concentrated and unsweetened milk; powdered eggs, with the permission of the Ministry of Health
2. Tea, provided the current regulations on the import of tea are observed
3. Gallnuts, myrobalan, yellow and black; mimosa; quebracho; natural tanning and dyeing materials (vegetable); wood tar
4. Non-alcoholic vegetable extracts for medical use
5. Vegetable and hydrogenated fats, edible and inedible; butter, animal fats made from milk
6. Lubricating oils
7. Heavy chemicals for industrial use; chemical fertilizers
8. Pharmaceutical products, specialties; dosed medicines; medicinal cod liver oil; industrial alcohol (fluid); sterilized surgical dressings, hygienic bands; medicinal glucose and lactose, pure sulphuric acid, pure hydrochloric acid, pure nitric acid for medical and laboratory use; room disinfectants
9. Sodium carbonate 98 per cent purity and above for crystal manufacturing. Import permits will be issued only to manufacturers of glass with the approval of the Ministry of Mines and Industries
10. Radiographic films
11. Cochineal, cochineal dye; carmine, other animal dyes; azure blue; synthetic indigo; Prussian blue; logwood
12. Synthetic indigo mixture; alizarin, dyes in bulk; sulphur-based dyes; other textile dyes (cotton, wool, cloth); black vegetable and mineral dyes; prepared barium sulphate; mineral dyes (zinc oxide or sinca); zinc sulphide; lithopone, anti-corrosion paint, alkanet, natural and synthetic; chrome-based dyes; violet indigo; pigments, painting enamels, pigments for glass, ceramic and china manufacture; enamels for household manufacture; fire-resisting paints; alkaline powders; clear or coloured varnishes, nitro-cellulose-based or synthetic; paint thinners (tinol); aniline paints; paints for mixing; synthetic dyes for leather, oilcloth and boot-polish manufacture; other similar dyes; nitro-cellulose-based and synthetic cement; varnishes for galosh and rubber coating.
13. Printing and stamping inks; China inks; copying inks, powdered or in tablet form; writing and drawing inks; fountain-pen inks, gum alcohol and glycerine free; fluid ink-stain removers
14. Typewriter and calculating-machine ribbons; box painting sets; paints in tubes; black pencils, coloured pencils, copying pencils, pastel pencils, pencil cores; stamps (in boxes)
15. Cowhides, buffalo hides, calf hides, other hides
16. Leather belts for machinery; other machinery components and fittings made of leather; patent leather, black only; chamois leather for car cleaning
17. Vehicle tires and tubes (passenger cars, trucks and tractors); solid tires for vehicles, rubber belting; other rubber equipment for vehicles; industrial machinery
18. Reels and shuttles made of cardboard or paper for spinning and weaving purposes; perforated paper or cardboard for weaving; saturated cardboard; paper for match manufacturing
19. Cardboard of every description (except common cardboard made of old paper or straw, and of 0.5 to 5.0 mm. thickness); corrugated cardboard and cardboard-wrapping boxes for packing export goods; laminated cardboard; tarred paper for roofing purposes; paper pulp; suitcase-reinforcing fibre angles
20. Newsprint of any description
21. Writing paper of any description, typewriting paper, stencil paper, carbon paper
22. Books, newspapers, periodicals, catalogues (without exchange remittance), free samples
23. Sifting gauze for industrial purposes made of synthetic or natural silk
24. Cotton materials (except those listed among the prohibited items)
25. Jute, sacking, hessians
26. Cast iron; iron; mild and hard steel in shape of blooms, slabs, strips, pipes, angles, rods, round, half-round or square sections, plates and sheets; cast-iron, iron and steel manufactures; scrap iron in the shape of rods, pipes, etc.; tools made of cast iron, iron or steel, alloyed or not with other metals; wire; barbed wire; welding rods; piping; pipe-laying materials; rails, rail-laying fittings; structural steel and components (for

factory building only); nails, nuts and bolts; telephone and telegraph poles; metal tanks; padlocks; douches, siphons; valves, dentists' chairs; surgical tables; mechanical hospital beds; other metal manufactures for medical use; steel levers, shovels and picks; enamelware for hospital use; patients' wheel chairs; enamelled lampshades and projector shades

27. Type founts, printing materials, date stamps, numbering machines
28. Industrial, agricultural and road-making machinery—self propelled or otherwise; printing, typesetting and bookbinding machinery; motor pumps; cranes; power-generating machinery; machine tools; deep-well drilling machinery and equipment; irrigation machinery; sewing machines; knitting machines
    Fittings, spares and components for above-listed machinery
29. Electrical instruments and apparatus; wet and dry batteries; electric candles, electric fittings; wire-laying materials, wire sheaths and their fittings; cabling and wiring; high tension and main powerline, electric, telephone and telegraph insulators
30. Motor coaches; ambulances; trucks, truck chassis; vans, cross-country vehicles, jeeps, etc.
31. Trucks and passenger-car spares and components
32. Scientific, medical and precision instruments of every description, their spares, components and fittings; spectacles, magnifying or light-repelling; binoculars; microscopes; water and gas meters; surgical and medical equipment of every description; artificial limbs, orthopaedic footwear and soles, wrapping rolls, orthopaedic stockings; medical rubber pillows; projectors; magnifying equipment and apparatus; thermometers; barometers; measuring tape; humidity meters, speedometers; revolution counters; surveying and mapping instruments; divider sets in boxes; rules; triangles; metres; balances; plumb lines and similar; ground-measuring, surveying, marine and astronomical equipment and apparatus; scientific instruments and equipment for classroom purposes
33. Wool and fine wool yarn; artificial silk yarn
34. Raw, natural and synthetic rubber

(2) A minimum of 70 per cent for goods not listed in Section C 1. above.

(3) A minimum of 25 per cent against agricultural and industrial machinery to be used by the respective importers themselves.

Documentary bills covering goods other than those specified in Pargraph A, and shipped from the country of origin *before April 4, 1961*, will be settled according to existing regulations. Should goods of this nature be shipped *on or after April 4, 1961*, settlement will be refused. Documents covering such shipments will be returned to the senders. The date on the bill of lading will be taken as evidence of the date of shipment.

It is to be noted that Paragraph C repeats those items outlined in Paragraph A and also includes additional commodities. This has been done to indicate the margin of credit which a first class importer must be prepared to put forward in the event that the suppliers of those products covered in Paragraph A want the importer to pay by irrevocable letter of credit as opposed to documentary collection bills.

—A. B. BRODIE,
Commercial Counsellor, Tehran.

A detailed list of the machinery, apparatus and equipment included in Paragraph A can be obtained by writing to the Chief, Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Jordan

IMPORT TRADE RESTRICTIONS ANNOUNC —By a notice in the *Official Gazette,* dated Febru 5, 1961, the Prime Minister of Jordan announ certain restrictions concerning the import trade cont regulations, effective from the date of publication the order. According to the order, import licences not be granted for any of the following commodit from any country except the United States: wheat a flour; passenger automobiles and trucks; radios, pi ups, recorders, gramophones (excluding parts); yell sulphur for agricultural use; mineral oils; refrigerato air conditioners; canned cheese; space heaters; ranges; toilet soap; sporting arms.

Lebanon

IMPORT RESTRICTIONS REVISED—As a result recent amendments to Lebanon's import trade cont regulations, the schedules of goods subject to restricti measures have been revised and consolidated.

Under the present import trade control regulatio an importer in Lebanon must obtain an import per before placing an order abroad for any of some commodities. Also the import of four categories goods is prohibited. Commodities which are not i cluded in these two lists can be imported freely in Lebanon without an import licence.

There are no exchange regulations, and no cont on the transfer or remittance of foreign currency.

The schedules of commodities, as approved by t Ministry of National Economy, that are affected these restrictive measures as of March 9, 1961, may obtained from the Asia and Middle East Divisio International Trade Relations Branch, Department Trade and Commerce, Ottawa.

Pakistan

IMPORT CONTROLS—The Pakistan Minister Commerce and Industry announced on March 1 1961, that an additional eleven items have been p under Open General Licence for orders of up to a including established limits as follows:

Iron and steel (Rs.10,000), books (Rs.2,000), drugs and medici (Rs.5,000), typewriters and office machines (Rs.5,000), tractors a tractor spares (Rs.50,000), milk food (Rs.2,500), tires and tu (Rs.10,000), spares for automotive vehicles (Rs.2,500), laborat glassware (Rs.2,500), tools and workshop equipment (specif items) (Rs.10,000), and cement (for East Pakistan only) (Rs.10,00

This brings to 73 the total number of items aut matically licensed for import into Pakistan.

Philippines

FOREIGN EXCHANGE REGULATIONS A NOUNCED—The Central Bank of the Philippines h issued, in a circular dated March 2, 1961, new regu tions respecting foreign exchange transactions effecti m that date. According to the circular, all foreign change receipts shall be surrendered to the Central nk by those authorized to deal in foreign exchange in e following manner: all export proceeds, United tes Government expenditures and invisibles, other n those mentioned below, will be surrendered on e basis of 75 per cent at the free market rate (pesos 0 to U.S.$1.00) and 25 per cent at the preferred e (pesos 2 to U.S.$1.00). Foreign investments, gold ceeds, tourist receipts and inward remittances of erans and Filipino citizens and personal expenses of lomatic personnel will be surrendered at 100 per t of the free market rate.

Sales of exchange by the Central Bank at the pre-red rate of pesos 2.00 to the $1.00, plus the margin y, are applicable only to the following transactions: per cent of decontrolled imports, such as canned lk, canned fish and meat, wheat flour and newsprint the other 50 per cent will be sold on the free market; per cent of the import requirements of dollar-rning industries; foreign exchange contracts with netary board approval; government expenditures thin the budget for the fiscal year 1960-61, ending ne 30, 1961. Thereafter, all government expendi-res will be treated in the same manner as other ilar private transactions.

Sales of foreign exchange for transactions other an the above and those in excess of exchange licences anted by the Central Bank will be at the free market te.

The margin levy over the Bank's selling rate was duced from 25 to 20 per cent on November 27, 1960, d to 15 per cent effective from March 16, 1961.

The above amendment is part of the four-year control program initiated last year. It was explained the Central Bank that these steps represent the last ge before full decontrol and will be maintained until e necessary complementary measures of full decontrol e implemented.

uth Africa

EPRESENTATIONS RESPECTING THE TARIFF —The South African Board of Trade announced cently that it has received the following representa-ons respecting the tariff:

crease in duty on:

(a) Woven cotton/man-made fibre mixture printed piecegoods ntaining not more than 80 per cent but more than 50 per cent n-made fibre by weight and with an f.o.b. price not exceeding s. per pound by weight of material, but excluding indigo blue scharge prints and fabrics of a width exceeding 45 inches (other an split fabrics of wide fabrics designed for splitting into indi-dual widths not exceeding 45 inches)

(b) Woven printed piecegoods containing more than 50 per cent weight of man-made fibre (other than rayon or cellulose acetate mixtures thereof) and with an f.o.b. price not exceeding 11s. r pound by weight of material, but excluding indigo blue dis-arge prints and fabrics of a width exceeding 45 inches (other than lit fabrics of wide fabrics designed for splitting into individual dths not exceeding 45 inches) and all napped or raised, plush or le and embossed fabrics

2. Domestic glassware that is either tinted, painted or bears any design in colour, including gold lines, badging and lettering

3. Certain scales and weighing machines

4. Wheel wrenches of all sizes whether for trucks, light delivery vans or motor cars

5. Dried beans

Reduction in duty on:

1. Magnetic recording tape

2. Chlorotrifluoromethane
Dichlorofluoromethane
Chlorodifluoromethane
1,1,2-Trichloro 1,1,2-Trifluoroethane
1,2-Dichlorotetrafluoroethane
2 Chloro-1,1,1-Trifluoroethane

Rebate in duty on:

1. Plastic covered piecegoods (leathercloth) for the manufacture of ladies' handbags

2. The following components for the manufacture of brakes, clutches and steering equipment for motor vehicles:

(a) tanks, extruded barrels and master cylinder sub-assemblies for brake master cylinder assemblies

(b) cover, pressure plate, release lever plate, release lever, release lever pins, eye bolts and struts for cover assembly (pressure plate assembly)

(c) raw hose for the manufacture of brake hose assemblies

3. Printed, knitted nylon piecegoods for the manufacture of ladies' underwear

4. Microcrystalline wax for the manufacture of plain and printed waxed papers

5. Fully transparent irradiated polyethylene film for wrapping poultry produce

6. Spun rayon, art silk and washable mohair, plus materials and plastics and glass eyes for the manufacture of plushtype toys

7. Hydraulic and/or pneumatic hose for the manufacture of hydraulic/pneumatic hose assemblies

8. The following chemicals used in the textile industry for the purposes indicated:
Beta naphthol flake, used for development of diazotized direct dyestuffs to improve wet fastness
Coprantex B, fixing auxiliary to improve wet fastness of selected dyestuffs
Lustrol, finishing auxiliary to give a lustre in calendering
Urea, chemical used in finishing to obtain a full handle
Sodium sulphate, used in dyeing and finishing; in dyeing it accelerates the uptake of dyestuffs, and in finishing it acts as a filling chemical
Textiline W.1, used in finishing and sizing to obtain the desired handle
Sodium acetate, used in dyeing or acrilan to obtain a level uptake of dyestuffs
Persistol, waterproofing textile auxiliary
Quellin, used in sizing and finishing to obtain the desired handle
Talc R.M.56, used as a filling and weighting chemical, chiefly in finishing of sheeting

9. Woven rayon material for the manufacture of girls' gym clothes

10. Woven cotton piecegoods for the manufacture of women's and girls' underwear

Refund of duty on:

1. Knitted piecegoods used in the manufacture of leathercloth for export

2. Nylon and rayon non-woven gauze used in the manufacture of sanitary towels for export

Canadian firms exporting these goods to South Africa may wish to have their views on these tariff inquiries placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf. Action should be taken as soon as possible, because tariff inquiries normally begin in South Africa soon after the announcements are made.

Venezuela

NEW FOREIGN EXCHANGE CONTROL REGULATIONS—Our Commercial Counsellor in Caracas reports that, effective March 17, exchange at the official exchange rate of 3.35 bolivars per U.S. dollar will be available only for some two thousand "essential" imports. All other imports must be paid for at the "free market" rate of exchange.

Exchange for the payment of freight and insurance on "essential" imports will be provided at the official exchange rate. Imports of "essential" goods of up to $2,000 in value are exempt from import permits provided they are not partial shipments.

Before import of these essential items can be m a prior import *permit* must be obtained from Foreign Currency Control Office of the Venezue Central Bank. This prior import *permit* granted by exchange authorities does not supersede the pr import *licence* which will also be required for go previously subject to import licensing.

The payment of debts incurred before November 1960, for which application for registration has alre been made, as well as debts contracted betw November 8 and March 17, provided they are reg tered within thirty days of March 17, will be made the official rate.

Further information may be obtained from the La American Division, International Trade Relati Branch, Department of Trade and Commerce.

COMMODITY NOTES

Air Conditioners

COLOMBIA—Under licence from a major United States appliance manufacturer, a plant is being established in Barranquilla to make air-conditioning equipment for both domestic (1 h.p.) and commercial (5 to 15 h.p.) use. The factory will also produce a range of ventilating equipment for the building industry—Bogotá.

Aircraft

SWEDEN—Malmö Flygindustri, a firm within the Trelleborg group, has started production of Sweden's first mini-plane, an all-metal two-seater called the MFI Junior. It is intended as a "people's car of the air", and will cost under 30,000 kronor. A 100 h.p. engine will permit cruising speeds of about 225 kilometres per hour. It weighs about 300 kilograms and the pilot can drag it from its hangar and get it into starting position without help. The prototype, tested for two years, was designed and built by Rune Andreasson, formerly with Convair in the United States. It is 5.6 metres long, with wing span 7.2 metres and height 1.9. Fuel consumption is less than 17 litres per flying hour at cruising speed—Stockholm.

Cloth

SOUTH AFRICA—When their £275,000 expansion program is completed at the end of this year, Union Spinning Mills and its associate company, Algoa Weaving Mills (Pty.) Ltd., both of Port Elizabeth, will aim at increased exports. They have a substantial market in the Federation of Rhodesia and Nyasaland and will concentrate on other African territories. An annual turnover of £3 million and an annual output of 3 linear miles of cloth, 99 per cent of which goes dir to manufacturers, is expected. New buildings include dyeworks and cloth-finishing plant as well as housi for a turbostapler for production of high-bulk orl tops—the first in Africa and one of the few in t world—Cape Town.

Coal

ECSC—According to information published by t European Coal and Steel Community, coal imports in the six member countries fell from 19.2 million to in 1959 to 17.3 million in 1960, principally as a resu of import restrictions imposed by Belgium and We Germany—Brussels.

Copper, Zinc

PHILIPPINES—Marinduque Iron Mines Inc. will co struct an integrated copper-zinc extracting and fabrica ing plant in the Philippines, assisted by a $13 milli Export-Import Bank loan. Marinduque will provi initial working funds and capital for erection of t plant. The loan will be used to purchase smelting a refining machinery and equipment.

The new plant will process ores into finished copp products by chemical bleaching, gaseous producti and newly-developed rolling methods. These shou help to replace the $10 million worth of copper pro ucts now imported each year. It is also hoped th processing of the base metal concentrates will provi sulphur—an ingredient of fertilizer badly needed in t Philippines.

Marinduque currently owns and operates two copper nes capable of producing 75,000 tons of ore a year —Manila.

Forest Products

SWEDEN—The Swedish Cellulose Company's (SCA) ernal deliveries rose by 15 per cent to Kr.623 mil-ion ($121 million) in the financial year ended August 1 1960. Exports accounted for 76 per cent of the ver-all value. Production of chemical pulp rose from 8,000 to 543,000 tons; mechanical pulp from 2,000 to 163,000 tons; paper from 145,000 to 0,000 tons; board from 45,000 to 51,000 tons, and mber from 78,000 standards to 80,000. A new kraft er mill will go into production in the first half f this year, and expansion of the Obbola sulphate mill of 10,000 tons of unbleached pulp will be completed ly in 1962. Investment during the financial year talled Kr.120 million—Stockholm.

ron Ore

ECSC—Iron ore production in the six countries of the European Coal and Steel Community in 1960 totalled 8 million tons, the highest on record and 8.5 per ent above the 1959 figure. Following is 1960 produc-ion for each country, in millions of tons (1959 figures n brackets): France 67.7 (61.6), West Germany 18.9 8.1), Luxembourg 6.9 (6.5), Italy 2.1 (2.0), gium 162,000 (142,000).

mports of iron ore from third countries reached out 30 million tons in 1960, representing about one-ird of domestic extraction—Brussels.

tor Vehicles

PAN—Production of four-wheel motor vehicles in 60 jumped to 481,543 units, an increase of 83.2 r cent over 1959, according to the Automotive dustrial Association. The figure includes Japanese andard" passenger cars: 129,000 of these were pro-ced compared with 73,000 in 1959. Production of ree-wheel vehicles in 1960 jumped to 278,032 from 3,042 in 1959, according to the Midget Motor nufacturers' Association. The three-wheel vehicles e used principally to transport goods—Tokyo.

W ZEALAND—New Zealand's new oil refinery npany, the New Zealand Refining Company Limited, s been incorporated with authorized share capital £6 million in ordinary shares of £1 each. At some e in the future a prospectus will be issued inviting w Zealand investors to participate in ownership of company. Preliminary arrangements were handled a committee representing Atlantic, B.P., Caltex, ropa, Shell and Standard Vacuum Oil companies. Detailed specifications for tenders to build the new £20 million refinery at Marsden Point, Whangarei, are being prepared by specialist engineers in The Hague —Wellington.

Paper Mill

INDIA—India's largest paper producer, Orient Paper Mills Limited, plans to double its capacity by constructing a new paper mill at Amlai in Madhya Pradesh. It will have a capacity of 50,000 tons a year. The mill's output of writing and printing papers will be based on bamboo. Equipment will be purchased in the U.S. under an Export-Import Bank credit of $18.5 million, repayable over a ten-year period commencing in 1964. Technical and engineering services are being provided by Eastern Engineering Company of Atlanta, Georgia—New Delhi.

Phosphate

ALGERIA—Construction has started on the $25 million Djebel-Onk phosphate works in northeastern Algeria. Total reserves are estimated at 500 million tons, one-fifth of which is in open pits. By the end of 1962, the enterprise will have turned out its first 50,000 tons of 75 per cent phosphate content. In 1964, production will hit full stride at 800,000 tons a year.

The Société d'Exploitation du Gisement de Phosphate de Chaux du Djebel-Onk, jointly owned by the State and private interests, will mine the deposits. Major shareholder is Compagnie des Phosphates de Constantine, with 40 per cent of the new firm's $6 million capital; the French Government holds 34 per cent through two agencies. Most of the remaining shares are held by Algerian development groups.

The raw ore, no richer than 50 per cent in content, will be treated through to the roasting process at Djebel-Onk and taken to Bône on the Mediterranean, 210 miles north, to be washed, dried and readied for shipment. The treatment plants will cost $8 million and laying an electrified rail line from Djebel-Onk to Tebessa a further $9 million—Paris.

Correction

In our March 11, 1961, issue, a note on the new Tasman Pacific Service carrying meat from New Zealand to the west coast of North America gave the refrigerated capacity of the vessels as 20,000 cubic feet. The correct figure is 200,000 cubic feet each. Canadian agents for the line are the Griffiths Steamship Company Limited, Vancouver. For return voyages, the line will accept perishables and other cargo that will not damage the installations and special fittings in the refrigerated compartments.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.0101.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent March 24	Units per Canadian dollar	Notes (See belo
Argentina	Peso	Free	.01199	83.40	
Austria	Schilling		.03826	26.14	
Australia	Pound		2.2160	.4513	
Bahamas	Pound		2.7700	.3610	
Belgium and Luxembourg	Franc		.01985	50.38	
Bermuda	Pound		2.7700	.3610	
Bolivia	Boliviano	Free	.00008665	11,540.68	
British Guiana	Dollar		.5771	1.73	
British Honduras	Dollar		.6925	1.44	
Brazil	Cruzeiro	General Category*	No quotation available	No quotation available	
		Special Category			
		Official selling			
Burma	Kyat		.2079	4.81	
Ceylon	Rupee		.2078	4.81	
Chile	Escudo	Free	.9411	1.06	
Colombia	Peso	Certificate	.1478	6.76	
Congo, Republic of	Franc		.01985	50.38	
Costa Rica	Colon	Official	.1763	5.67	
		Controlled free	.1488	6.72	
Cuba	Peso		.9900	1.0101	ta
Czechoslovakia	Koruna		.1375	7.27	
Denmark	Krone		.1433	6.98	
Dominican Republic	Peso		.9900	1.0101	
Ecuador	Sucre	Official	.06600	15.15	
		Free	.05789	17.27	
Egyptian Region, United Arab Rep.	Pound	Official	2.8428	.3518	
		Export account selling	....	....	
El Salvador	Colon		.3960	2.52	
Fiji	Pound		2.4955	.4007	
Finland	Markka		.003094	323.21	
France, Monaco, etc.	New Franc		.2020	4.95	
Franco-African Republics, etc.	Franc		.004040	247.52	
French Pacific	Franc		.01111	90.00	
Germany	D Mark		.2494	4.01	
Ghana	Pound		2.7700	.3610	
Greece	Drachma		.03300	30.30	
Guatemala	Quetzal		.9900	1.0101	
Haiti	Gourde		.1980	5.05	
Honduras	Lempira		.4950	2.02	
Hong Kong	Dollar	Free*	.1706	5.86	*Ma
		Official	.1731	5.78	
Iceland	Krona	Official	.02605	38.39	
India	Rupee		.2078	4.81	
Indonesia	Rupiah	Official	.02200	45.45	
Iran	Rial		.01307	76.51	
Iraq	Dinar		2.7720	.3607	
Ireland	Pound		2.7700	.3610	
Israel	Pound		.5500	1.82	
Italy	Lira		.001594	627.35	
Japan	Yen		.002750	363.64	

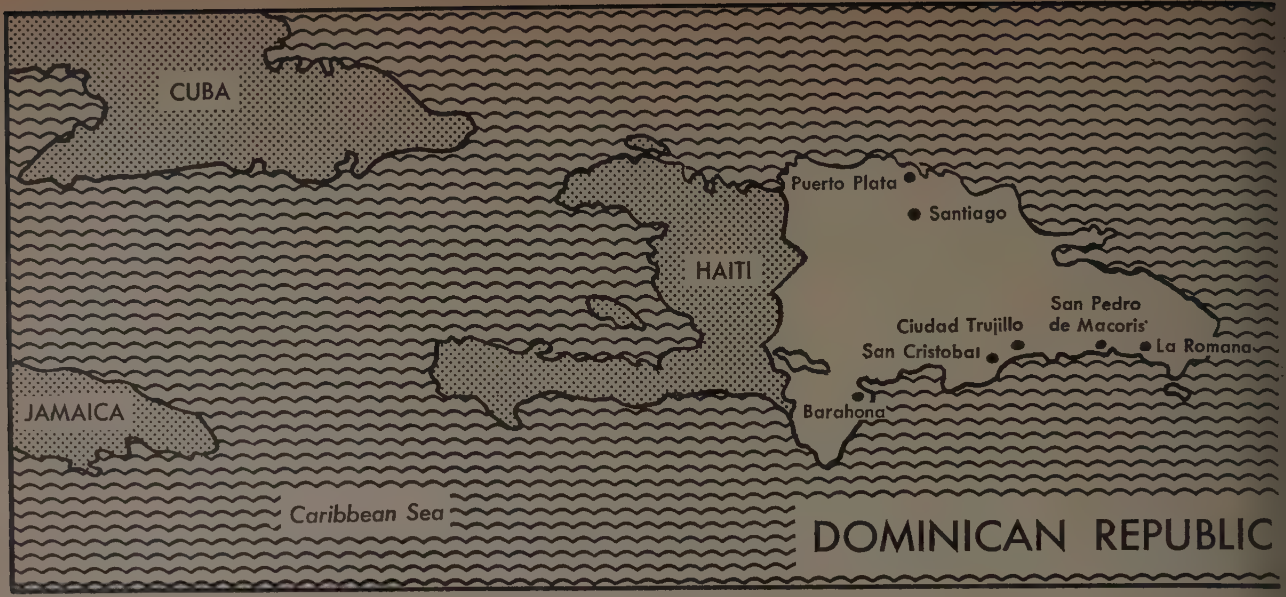
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent March 24	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3110	3.21	
Mexico	Peso		.07920	12.63	
Morocco	Dirham		.1980	5.05	
Netherlands	Florin		.2756	3.63	
Netherlands Antilles	Florin		.5250	1.90	
New Zealand	Pound		2.7700	.3610	
Nicaragua	Cordoba	Effective buying	.1500	6.67	
		Official selling	.1404	7.12	
Nigeria	Pound		2.7700	.3610	
Norway	Krone		.1386	7.21	
Pakistan	Rupee		.2078	4.81	
Panama	Balboa		.9900	1.0101	
Paraguay	Guarani	Official	.007826	127.78	
Peru	Sol		.03691	27.09	
Philippines	Peso	Free	.3300	3.03	
		Official	.4950	2.02	
Portugal & Colonies	Escudo		.03455	28.94	(9)
Singapore and Malaya	Straits Dollar		.3232	3.09	
Spain and Dependencies	Peseta		.01650	60.60	
Sweden	Krona		.1917	5.22	
Switzerland	Franc		.2292	4.36	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04708	21.24	(8)
Tunisia	Dinar		2.3859	.4191	
Turkey	Lira		.1100	9.09	(8)
Union of South Africa	Rand		1.3850	.7220	
United Kingdom	Pound		2.7700	.3610	
United States	Dollar		.9900	1.0101	
Uruguay	Peso	Free	.08976	11.14	(10)
Venezuela	Bolivar		.2958	3.38	(11)
West Indies Fed.	Dollar		.5771	1.73	(12)
	Pound		2.7700	.3610	(13)
Yugoslavia	Dinar	Official	.001320	757.57	(8)

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official buying rate of Cr.$18.36 plus (a) an exchange premium of Cr.$71.64 per U.S. dollar for coffee green, roasted or powdered and cocoa beans; (b) Cr.$81.64 per U.S. dollar for cocoa products, castor seeds, mineral crude oil and its products. Returns of all other exports may be sold on the free exchange market.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate of Cr.$18.92 per U.S. dollar plus a surcharge of Cr.$81.08 per U.S. dollar.
4. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
5. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
6. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, French Polynesia.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
11. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
12. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
13. Jamaica.



Markets in Brief

DOMINICAN REPUBLIC

Area: 17,840 square miles.

Population: 3,011,121.

Climate: tropical; cool valleys in mountains.

Language: Spanish.

Currency: peso, at par with U.S. dollar.

Weights and measures: metric system, although British and American units commonly used.

Capital: Ciudad Trujillo; population 350,847.

Chief ports: Ciudad Trujillo, Puerto Plata, Barahona, La Romana.

Marketing centres: Federal district (population) 390,750; Santiago district 305,080; Puerto Plata district 172,849; San Cristobal district 239,603.

Economy: mainly dependent on sugar; coffee, cocoa, tobacco, cattle important.

Total Dominican imports: 1959—U.S.$120.2 million; 1958—U.S.$129.5 million.

Chief imports: 1958 (in per cent)—machinery, apparatus, spares 16.3; motor vehicles 10.8; food products 9.2; mineral oils, including gasoline 7.9; cotton and manufactures 7.4; iron, steel and their manufactures 7.4.

Chief suppliers: (in per cent)—United States 59.8, West Germany 6.1, United Kingdom 4.3, Canada 4.0, West Indies 3.6.

Value of imports from Canada: 1960—$5,061,888; 1959—$5,137,477.

Chief imports from Canada: 1960—dried, salted fish $1,377,082; wheat, except seed, $1,002,672; oil, gasoline, naphtha, fuel $490,822; tires for trucks, buses $245,217; insulated copper wire $229,772; newsprint $202,280.

Total Dominican exports: 1959—U.S.$130,135,772; 1958—U.S.$136,614,711.

Chief exports: 1959 (U.S.$ million)—raw sugar 45.6, gr coffee 17.5, cocoa 15.1, chocolate 7.1, bananas 5.9, bau 5.0, tobacco 5.0, molasses 4.4.

Chief markets: 1959 (U.S.$ million)—United States 6 United Kingdom 20.4, Netherlands 5.3, Japan 4.5, W Germany 4.4, Canada 1.6 (DBS).

Value of exports to Canada: 1960 (10 months)—$1,246,9 1959—$1,636,888.

Chief Canadian purchases: 1960 (nine months)—green cof $479,699, bananas $417,835, molasses $60,483, ba twine $33,442, cocoa beans $16,980.

Dollar exchange: freely available. No exchange permit quired but there are administrative controls since applications for foreign exchange require approval the Central Bank.

Prices: quote in U.S. dollars, c.i.f. or f.o.b.

Samples: import restricted if of commercial value.

Trade agreements: the Dominican Republic is a member GATT; it also has a separate most-favoured-nation agr ment with Canada. GATT concessions apply only imports from countries accorded m.f.n. treatment.

Import permits: not required except for wheat, wheat flo barbed wire, firearms, milk products, fruits, vegetabl and confectionery products containing sugar or chocol as the principal ingredient.

Import controls, documentation, customs tariffs, marking labelling: consult the International Trade Relations Branc Department of Trade and Commerce, Ottawa.

Canadian Banks: Royal Bank of Canada in Ciudad Trujil Santiago, San Pedro de Macoris, Puerto Plata, Romana; Bank of Nova Scotia in Ciudad Trujil Santiago.

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa
or
Commercial Counsellor
Canadian Embassy
Apartado 1393
Ciudad Trujillo, Dominican Republic

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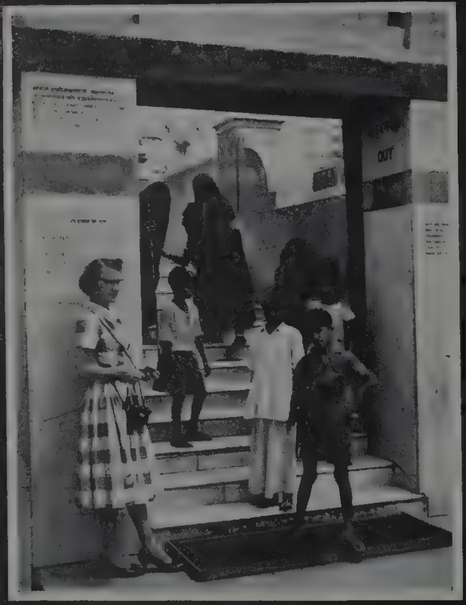
Picture Yourself in Paris

Muriel McCann, an Ottawa girl, served for 2½ years in Tokyo before being posted to New Delhi, India, in 1959.



Jeannette Dugal
a tour of duty in
her first post, in
She is a native o
Edmundston, N.B.,
her Canadian ho
is now Ottawa.

Norah Leonard arrived in Canberra, Australia, last summer; her previous post was Djakarta, Indonesia. She comes from Perth, Ontario.

New Delhi or Canberra

Or in one of the other foreign posts where Canadian women like these are working as secretaries an stenographers for the Department of Trade and Commerce. Classified as Foreign Service Stenographer they are members of the Canadian Trade Commissioners' staffs. Their stay abroad varies from two t three-and-a-half years, with about one year at Head Office in Canada between postings.

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Canada Trades with the Far East (pages 2-39

FOREIGN TRADE

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OF TRADE AND
COMMERCE
OTTAWA

APRIL 22. 61

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Canada Trades with the Far East 2

More Canadian traders are discovering the opportunities for doing business that the Orient provides, as export figures for last year, up nearly $58.8 million over 1959, prove. Here is a general review of this worthwhile market.

Reviews of Business Conditions in the Far East 6

From Tokyo:

Striking advance in Japanese production and exports, build-up of foreign exchange reserves, made possible record 1960 sales of Canadian goods to our third largest customer. South Korea, struggling with economic and financial problems, reduced its purchases; outlook for 1961 doubtful.

Japan 6 **South Korea** 9

From Manila:

Philippines is passing through transition period, as exchange controls are gradually eliminated, domestic industry built up, trade concentrated in Philippine hands. Nature of Canadian trading opportunities may change. In Taiwan, Canadians are selling wider range of goods, though the United States and Japan are suppliers.

Philippines 11 **Taiwan** 13

From Djakarta:

Industrial raw materials bulked large in our trade with Indonesia. Relaxation of import restrictions last August improved sales opportunities but continuing economic problems make this a limited market for dollar goods.

Indonesia 15

From Singapore:

High rubber prices, larger tin exports helped both Singapore and the Federation. Each is pushing industrial development to employ growing population, offers unrestricted but highly competitive market for many types of products. Sales to Thailand improving, as exchange reserves are built up and industry expands.

Singapore 16 **Thailand** 22
Federation of Malaya 18

From Hong Kong:

Colony has become our third largest customer in Far East as tremendous industrial expansion boosts demand for our raw materials. In Communist China, agricultural problems are altering composition of both export and import trade. Cambodia and South Vietnam expected to buy less from Canadians this year.

Hong Kong 23 **Cambodia** 29
Communist China 26 **South Vietnam** 31

Import and Exchange Regulations in the Far East . . . 33
Shipping Services to the Far East 36

Businessman's Bookshelf 44
Commodity Notes 39
Foreign Exchange Rates 42
Foreign Tariffs and Trade Regulations 41
Trade Commissioners on Tour 38

OMING——HOW TO OVERCOME PROBLEMS IN SELLING TO CALIFORNIA, IN MAY 6 ISSUE

93841-5—1

CANADA TRADES WI

THE regions which this special issue covers offered in 1960 a market worth nearly $250 million to the producers, manufacturers and exporters of Canada. This was about $60 million, or 32 per cent, more than in 1959. At the same time, imports into Canada from these areas totalled $165 million, an increase of $11.6 million (7½ per cent) over the year before.

The accompanying table shows how our import and export trade with each of these countries of the Far East has fared over the past four years. It reflects a steady and substantial growth in our shipments and an equally impressive increase in our purchases.

Japan's importance as the centre piece of this picture and as an outlet for Canadian exports is immediately obvious, as is Canada's importance as a market for the wide range of manufactured goods that Japan produces. What is not obvious, but none the less significant, is the extent to which Japan depends upon the markets of other Asian countries. Of equal significance is the reliance of most of these other countries on Japan's purchases of the raw materials they can supply. Canada's interest in the development of the relationships, both political and economic, between these far distant markets may not be immediately apparent, but it undoubtedly is considerable. Japan, the industrial giant of the Far East, is by far our largest customer in that area. A prerequisite for the growth of our exports Japan is a buoyant and expandi Japanese economy. This, in tur depends to a very large exte upon increasing Japanese exports world markets generally, and t Asian countries offer an outlet f about one-third of Japanese expor

Last year, Canadians—

- Sold some $250 million worth of goods to the Far East, 32 per cent more than in 1959.
- Bought goods worth $165 million from these countries, 7½ per cent more than a year earlier.
- Shipped products worth $178 million to Japan, $40 million above 1959, and a new record.
- Doubled their exports to Hong Kong, to $22.5 million.
- Brought sales to Communist China up to $8.7 million, with large shipments of aluminum, plastics and synthetic rubber.
- Increased their sales to each of the Far Eastern countries, with the exception of the Philippines and South Korea.

Trends in Trading

From Canada's point of vie the news from this important ma ket area generally and from Japa particularly is good. With one two exceptions, the prospect is th our shipments to these countries 1961 should equal, and in sever cases exceed, those of 1960. Th conditions that prevailed in th various territories last year a described in the reports which fo low and in each case the author ha endeavoured to assess future pro pects. In these introductory para graphs it is necessary only to touc briefly upon the most notable fea tures of the year's developments an upon some of the trends in ou trading relationships with the Fa East which the current year is likel to witness.

Japan: Biggest Market

Despite the political unrest tha prevailed throughout its cours 1960 was a highly successful yea for Japan from the business stanc point. The economy continued expand; trade volume, both impo and export, continued to rise; fo eign exchange reserves increased t over $1,800 million. Exchange con trols were eased and the liberaliza tion of import restrictions continue with the transfer of a number items to the Automatic Approva List, raising the proportion of tota imports liberalized to 44 per cent.

As an important trading partne Canada participated largely i Japan's prosperity; our exports ros nearly $40 million above those fo

E FAR EAST

J. L. MUTTER, *Asia and Middle East Division.*

59 to a new record of $178 mil- in. At the same time, our imports m Japan, at $110 million, were gher than ever before.

The new Japanese administra- n's plans, adopted as 1960 ended, double the national income in e next ten years prompt specula- n upon the effort Japan must ke to achieve this rate of growth thout inflation. Although indus- al expansion in the last fifteen ars unquestionably has been re- rkable, the plan's success must pend to a high degree upon an er-increasing volume of exports. pan's ability to expand exports at e necessary rate will be influenced the financial resources available Afro-Asian countries for de- lopment, as well as by the ability developed industrial countries in neral to absorb low-cost manufac- red imports. Other factors which ust be taken into account are the duction in United States foreign ocurement and keener competi- n in world markets from Euro- an and North American suppliers. ne Japanese are, of course, well vare of these various aspects.

The immediate outlook for Cana- an and other exporters to Japan encouraging. There is every evi- ence of increasing Japanese inter- t in the industrial raw materials hich Canada can supply. The plementation of Japan's liberal- ation plans should also have bene- cial effects, although these may qualified by the application of e new customs tariff which is pected to come into force in mid- 961 and to include some features signed to cushion certain domes- industries against the effects of eralization.

ong Kong: Continued Growth

Most sections of the economy of ong Kong showed satisfactory owth in a year in which development continued at a rapid rate. Imports were higher by 18 per cent than in 1959 and exports rose by 20 per cent. Industry showed remarkable progress, activity in building construction was as intense as ever, tourists were more numerous and spent more money than ever before, and notwithstanding the loss of life, property damage and general distress caused by a June typhoon, agricultural and fisheries production increased.

Imports from Canada totalled $22.5 million, double the 1959 figure, reflecting the Colony's industrial expansion and the consequent increased demand for raw materials. Though imports can scarcely be expected to expand at this rate in 1961, it is probable that they will be larger. Hong Kong's exports to Canada, concentrated largely in made-up garments, rose by 25 per cent over 1959.

Philippines: Industrial Promise

Improvement in the economy of the Philippines continued throughout 1960. The favourable balance of payments and a considerable increase in international reserves have enabled the Government to make substantial progress towards the elimination of exchange controls which, it is hoped, may be complete by the end of 1961. The tight money policy introduced in 1959 was maintained and has tended to restrain business expansion. There are short-term uncertainties arising from the recent easing of the complicated exchange control system and engendered by the political campaigning going on in preparation for this year's Presidential election, but in general, the state of the economy is satisfactory. There was an over-all increase in agricultural and industrial output and the total value of external trade was higher than in 1959. The sugar industry, provided it can step up production significantly, stands to benefit from the temporary allocation by the United States of part of the former Cuban quota.

The promotion of industrial expansion will continue to be a major preoccupation. This depends heavily

Canadian Trade with the Far East

	EXPORTS TO				IMPORTS FROM			
	1957	1958	1959	1960	1957	1958	1959	1960
	(in thousands of dollars)							
Japan	139,152	104,891	139,724	178,008	61,605	70,216	102,669	110,382
Hong Kong	7,595	6,054	11,192	22,515	7,223	8,823	13,190	15,534
Philippines	17,540	14,088	14,863	14,809	3,976	2,187	1,449	1,966
Communist China	1,392	7,809	1,720	8,737	5,304	5,376	4,850	5,638
Malaya and Singapore	3,316	3,233	3,258	4,660	27,356	19,904	28,658	28,120
South Korea	7,302	4,308	6,000	3,916	35	24	235	404
Taiwan	1,648	1,167	1,692	2,886	193	159	716	1,150
Thailand	2,046	1,294	1,937	2,710	630	649	652	842
Indonesia	1,633	1,695	1,760	2,110	965	231	156	529
Vietnam,				540				5
Cambodia	1,020	266	385		7	5	12	
and Laos				148				17
British East Indies, n.e.s.	187	113	95	359	120	133	390	261
Totals	182,831	144,918	182,626	241,398	107,414	107,707	152,977	164,848

on foreign investment and the problem for the administration is to reconcile the "Filipino First" policy with legislation designed to encourage an inflow of capital from abroad.

Canadian trade with the Philippines showed little change in volume or value, but there were encouraging increases in our shipments of a number of industrial materials. It is to such exports that we must look to fill part of the gap created by the loss of our trade in flour. This once-important market is about to disappear as flour-milling capacity in the Philippines approaches the point where it can completely satisfy domestic demand, but it is expected that Philippine millers will obtain at least some part of their wheat needs from Canada.

Communist China: Trade Alters

Communist China in 1960 was the victim of a series of natural calamities for the second year in succession. These, combined with other internal factors, have resulted in serious losses in agricultural production. This situation has had a heavy impact on the domestic economy and policy, and on policy governing foreign trade. In brief, it is now necessary for China to concentrate on food production rather than upon the expansion of heavy industry. In external trade, imports of agricultural products are being substantially increased and imports of industrial machinery and other capital equipment are being cut back or are levelling off. Equally important, agricultural exports, normally the principal earners of foreign exchange, will be severely reduced.

These developments have much significance for Canada. Sales of Canadian wheat and barley to Communist China this year so far exceed a million tons. Further grain sales may follow, and there may also be good opportunities for some time to come for our raw or semi-processed materials, since it appears to be the intention of the Chinese to keep their present plant capacity and equipment fully occupied. However, the competition promises to be keen.

Malaya: Record Trade

Last year was one of steady progress for Malaya; it saw the successful conclusion of the first Five Year Plan for economic development and the announcement of a second one. This is expected to accelerate economic growth, and especially rural and agricultural development. The high prices obtained during the last two years for rubber and to a lesser extent for tin have resulted in surpluses on current account and useful additions to the Federation's reserves.

Foreign trade in 1960 achieved a record. There was a slight decrease in the quantity of rubber exported, but tin exports were nearly double those of 1959. Malaya provides about one-third of the world's supply of these two commodities. Japan buys all the iron ore and bauxite produced in the Federation and shipments of these materials were much greater than in the previous year. Trade with Canada showed substantial increases in both imports and exports.

Singapore: More Industry

Fears that Singapore's entrepôt trade might decline markedly because of the diversion of traffic to other ports in the area have not been realized, though this trade shows signs of levelling off. The tonnage handled in 1960 was as great as in 1959, despite the continued decline in trade with Indonesia and the growing tendency for merchants in Malaya to deal directly, (rather than through Singapore) with world markets and to use the facilities of Port Swettenham. However, with no increase in entrepôt trade anticipated, the hope of providing employment for the rapidly growing population rests heavily upon the successful implementation of the Singapore Government's plans attract investment and to encoura industrial development.

South Korea: Problems

For South Korea 1960 was uneasy year featured by social a political unrest, and the future obscure. The magnitude of t country's economic problems illustrated by the fact that althou exports in 1960, at $67.1 millio reached a near record, there w still an import surplus of near $236 million.

South Korea's reliance up foreign aid is obviously great. IC aid from the United States for 19 is to total approximately $180 m lion. An important change f Korea was the resumption at mi year (after a suspension of over year) of trade relationships wi Japan, which appears likely to off an ever increasing outlet for t production of the Korean mini industry.

Canadian exports to the Republ of Korea fell from $6 millio (mainly chemical fertilizers) 1959 to $4 million in 1960 a may well decline further in 196 partly because of competition fro Japan and also as a result of t new "Buy America" stipulatio governing the use of ICA assistanc

Taiwan: Small Market

Like South Korea, Taiwan reli upon substantial United States a ($100 million in 1960). The cou try's acute problems are aggravat by the high rate of increase of a already dense population. Industri development is regarded as the mo effective means of relieving t situation and forms the core of t Government's Four Year Econom Plan, 1961-1964. Exemptions fro taxation, abatements, tariff conce sions on imported equipment a machinery are among the incentiv offered to potential foreign investo in new legislation which went in effect last September. Japan Taiwan's principal trading partne Canada is only a nominal suppli

Taiwan's requirements; wood ulp and metals are our leading xports to this market.

hailand: Larger Reserves

Although Thailand's balance of ade was once again adverse, the eficit at the end of 1960 was lower y about 30 per cent than in 959, and foreign exchange reserves ached their highest point since 957, an improvement which peritted some relaxation of foreign change controls. Export markets r all rice surplus to domestic eeds, (some 1.2 million tons) ere found, although the prices alized were lower than in 1959, d there was an encouraging inease in export shipments of rubr, tin, maize and timber. For the st time, the value of rubber exrts exceeded that of rice, thanks the higher prices obtained during e first part of the year. A World ank survey conducted during 1960 as hopeful about the long-term onomic prospects, but the recent end of events in neighbouring aos has caused deep concern in hailand and inevitably casts a adow over the outlook for the rrent year.

ndonesia: Financial Measures

A general decline in production, duced export earnings, increased ports over 1959, the continued rain on the country's resources posed by military operations ainst the rebels, the severance diplomatic relations with the etherlands—these were among the tstanding features of 1960 in donesia.

Indonesia accepted a number of bstantial new foreign loans last ar and in August certain new nancial measures were introduced. hese included the scrapping of the isting import and export levies d of the varying exchange rates r different types of foreign business transactions. Increased imports a number of essential raw matels were permitted with the object bringing prices down, but success pears to have been limited.

An eight-year development plan drafted by the National Planning Council is to go into effect this year. Its implementation will entail increased procurement abroad and this, with the cost of expanding the armed forces, will mean a sharp increase in the demand for foreign exchange at a time when a proportionate increase in foreign exchange earnings appears unlikely. All this suggests that normal commercial imports, in which Canadian participation is nominal, will continue to move at the low level of the past several years.

Cambodia: Trade Larger

Cambodia's economy improved during 1960. Exports—mainly of agricultural products such as rice, rubber and maize—were nearly 70 per cent greater in volume than in 1959. There was also a substantial increase in imports, part of which were destined for industrial development under project aid programs, such as the extension of the harbour facilities at Sihanoukville. This new port, with the construction of a railway from Phnom Penh, is expected to handle much of the country's export traffic now moving through Saigon.

South Vietnam: Improvement

Satisfactory exports of rubber and rice, visible results of the steps taken to diversify agriculture, and further progress in industrial development have all contributed to a modest improvement in the economy of South Vietnam. But events in Laos, the operations of subversive elements in the central and southern provinces, and guerilla activity along the border with North Vietnam have impaired confidence in internal security. As a result, the outlook of the business community generally is short-term and there is a natural reluctance to embark on new projects.

Both Cambodia and South Vietnam rely to a very great extent upon foreign aid, largely from the United States. In Vietnam it is estimated that U.S. aid covers as much as 75 per cent of imports and 50 per cent of government expenditures. The limited Canadian sales of the past few years to the two countries have been financed, in all but a few instances, by ICA funds. Such funds, with minor exceptions, may now be used only to purchase U.S. goods. The implications for our future exports to these two markets are fairly clear.

Did You Read These?

THESE articles dealing with the market for various commodities and aspects of doing business in the Far Eastern countries were published in *Foreign Trade* in recent months.

Communist China

How to Advertise in Communist China, Jan. 16, 1960.

Selling to Communist China, Oct. 8, 1960.

Far East

The Promising Far Eastern Market, Dec. 17, 1960.

Federation of Malaya

Selling Food Products to Malaya and Singapore, Sept. 24, 1960.

How to Advertise in Malaya and Singapore, March 25, 1961.

Hong Kong

How to Advertise in Hong Kong, Jan. 2, 1960.

Hong Kong Seeks Edible Offal, April 9, 1960.

Hong Kong Develops Plastics Industry, Nov. 19, 1960.

Indonesia

Indonesia Announces Monetary Measures, Nov. 19, 1960.

Indonesia Buys Paper and Newsprint, Jan. 28, 1961.

Japan

Japanese Buy More Canadian Farm Products, July 16, 1960.

How to Advertise in Japan, Oct. 22, 1960.

How Japanese Trading Companies Operate, Dec. 31, 1960.

Philippines

Philippines Makes Headway, Dec. 31, 1960.

Republic of China (Taiwan)

Taiwan Makes Progress, Nov. 19, 1960.

South Vietnam

How to Advertise in South Vietnam, Aug. 13, 1960.

Thailand

Bangkok's Import Houses, May 7, 1960.

Japan
South Korea
Tokyo

Japan

A. P. BISSONNET, *Commercial Counsellor, Tokyo.*

THE past year has continued to be an exceedingly successful one for Japan's economy and all indications point to a prosperous 1961 as demand for the country's manufactured products increases in both new and old markets abroad. Japan's position as a leading industrial nation is now evident and its impressive postwar recovery is comparable to that of West Germany.

Industrial production, exports and foreign exchange reserves have all exceeded forecasts. The gross national product, which rose 17.7 per cent in the year ended March 31, 1960, is expected to show a further 11 per cent increase by the end of March this year.

The stability and progress which the economy has shown is the basis on which the Japanese Government has mapped out a program aimed at doubling the national income by 1970. Success will, of course, depend to a large extent on world conditions in the coming years, but there is no doubt that the Government and business are determined to carry out the program if at possible.

None the less, the Japanese ec omy is vulnerable in some wa Most economists tend to minim the effects of the recent U.S. doll saving measures and base this the fact that the amount of loss t will be involved is a fraction Japan's total export earnings and present rates of growth can eas be taken in stride. Perhaps a m important factor in vulnerability the chronic shortage of domes capital as it affects the expansi and modernization of industry a increasing competition in fore markets from Europe and No America. In addition to this, imp liberalization is an obligation bei pressed on Japan by the opini of trading partners within GA and the IMF. And, finally, a risi cost of living could lead to ind trial unrest.

Generally, however, the Japan economy can be viewed with no ing short of optimism. This sho be encouraging to Canadian s

—IBRD Pho

When the roadmakers have finished the assignment they are working on in picture below, Japan will have its first express highway. Financed by a World B loan, it will cut in half the time it takes to travel through the thickly popula region that lies between the expanding metropolitan areas of Osaka and Ky

liers to this very large and imortant market.

ndustrial Production Rises

The rate of increase in Japanese ndustrial production is probably he most striking aspect of the genral economic boom. In 1960 outut in mining and manufacturing ncreased by approximately 26 per ent compared with an equally imressive 24 per cent in 1959. This xpansion applied to almost every major industry except shipbuilding, n which Japan's output was still the world's highest.

Perhaps the most dramatic of the roduction increases in individual ndustries took place in iron and teel. Output of pig iron moved up 6 per cent to 11.8 million tons and f crude steel up 33 per cent to 2.1 million tons. The production arget for 1970 is 48 million tons of rude steel. Within the next few ears, if the present rate of increase ontinues, Japan should be the world's fourth largest iron and steel roducer, after the United States, he U.S.S.R., and West Germany.

Total production of motor veicles rose 83 per cent to 481,549 nits and production plans for 1961 all for 600,000 units. Other notble increases in production were etroleum products 40 per cent, extiles 17.7 per cent, pulp and aper 16 per cent, machinery 43 er cent.

In most industries, still further ncreases are planned for 1961. Meanwhile the Government is conidering the reorganization and ationalization of industry, especially where this is thought to be in apan's interests; in some cases this nvolves creation of larger groupngs. To achieve this, financial conrol of investment plans is being ontemplated.

rade and Payments

Japan's foreign exchange reserves urpassed the $1,800 million mark t the end of December to register new record high of $1,824 million; indications are that this figure continues to rise. It reflects a persisting favourable balance of payments on current account, despite a greater increase in imports than in exports. There was an influx of short-term funds because of high interest rates.

In 1960 Japan's exports and imports both reached postwar highs. Exports totalled $4,055 million, 17.3 per cent above 1959, and imports $4,492 million, 24.8 per cent above 1959.

Among the outstanding features of Japan's export trade in 1960 were the predominance of chemical and heavy industrial products, less reliance on markets in advanced industrial countries (particularly the United States), and a marked decline in exports of ships, with steel products replacing them in importance.

Textile raw materials was still the largest group of imports, followed by mineral fuels, metal ores and scrap.

The table on page eight reflects the conversion of raw materials into manufactures for export and indicates the increased activity in 1960.

North America is Japan's largest foreign market but, as pointed out above, one of the notable features of Japan's export trade in 1960 was that the increase in exports to North America was considerably smaller than the increases in sales to other geographical markets. The increase in imports was more evenly spread among various geographical sources. The United States remains Japan's principal supplier.

Japan in 1960 Succeeded in:

- **Increasing output in mining and manufacturing by 26 per cent.**
- **Building up foreign exchange reserves to a record $1,824 million.**
- **Selling $4,055 million worth of goods abroad, with chemical and heavy industrial products in the lead.**
- **Importing goods worth $4,492 million; some $178 million worth was bought from Canada.**
- **Setting in motion a three-year plan for liberalizing imports.**

but Faces These Problems in 1961

- **Loss of an estimated U.S.$200 million because of the U.S. "save the dollar" program.**
- **Chronic shortage of domestic capital for industrial expansion.**
- **Increased competition from Europe and North America in export trade.**
- **Faster growth of imports than of exports.**
- **Rise in cost of living that could lead to industrial unrest.**

JAPAN'S EXPORTS AND IMPORTS CALENDAR 1960

Exports	($'000)	Increase over 1959 (per cent)
Textile goods	1,223,323	18.7
Machinery	928,266	14.7
Metals and products	561,248	40.1
Food and drinks	267,887	02.7
Chemicals	169,222	01.6
Non-ferrous metal minerals	145,128	15.0
Others	760,282	14.9
Imports	**($'000)**	**(per cent)**
Textile materials	789,610	20.3
Mineral fuels	741,413	33.0
Metal ore and scrap	673,240	35.6
Animal and plant raw materials	604,532	20.3
Food and drinks	547,054	10.1
Machinery	402,306	14.4
Chemicals	264,982	19.9
Non-ferrous metal minerals	103,471	30.4
Others	365,532	53.8

CANADIAN EXPORTS TO JAPAN

	12 mos. ended December 1959	12 mos. ended December 1960
Barley	$ 5,269,850	$
Wheat, except seed, n.o.p.	69,164,925	82,106,011
Flour of wheat, n.o.p.	2,169,843	1,897,130
Whisky	1,624,092	937,620
Flaxseed, n.o.p.	8,831,170	9,360,217
Mustardseed	553,472	264,470
Rapeseed	3,552,866	4,883,642
Seeds, n.o.p.	475,250	207,900
Calf skins and kips, raw	473,298	800,333
Cattle hides, raw	405,256	1,368,329
Tallow	670,072	551,204
Pulp, sulphite, bleached, dissolving	6,856,777	2,037,426
Pulp, sulphite, bleached, paper grade	229,450	950,802
Iron ore, crude concentrated	5,053,579	9,424,029
Scrap iron or steel	4,562,329	5,344,647
Engines, aircraft, and parts	557,009	273,717
Bookkeeping, calculating machines and parts	923,356	2,092,054
Aluminum scrap	846,280	2,047,200
Aluminum in primary forms	4,288,589	6,421,568
Brass scrap, dross and ashes	912,751	3,089,776
Copper, fine, in ore	3,150,125	4,936,447
Copper scrap, slag, skimmings	444,288	833,946
Copper ingots, bars, billets	62,678	2,823,187
Lead in pigs, refined lead	3,694	1,598,054
Zinc spelter	10,817	2,140,592
Ores, n.o.p.		2,235,067
Asbestos, milled fibres	4,726,286	
Asbestos, milled fibres, Gr. 3		654,158
Asbestos, milled fibres, Gr. 4, 5		4,962,052
Asbestos waste refuse shorts	1,987,068	
Asbestos shorts, Gr. 6, 7, 8, 9		2,836,041
Coal, n.o.p.	971,460	4,464,157
Non-metallic minerals, n.o.p.	679,213	1,949,436
Plastics, synthetic rubber, not sheets, n.o.p.		4,588,588
Synthetic resins, n.o.p.	1,284,679	
Drugs and chemicals, n.o.p.	3,350,013	262,648
Sub-total	134,090,535	168,342,448
Total value of all items other than those listed above	5,633,317	9,665,866
Grand total	**139,723,852**	**178,008,314**

Official forecasts suggest that total Japanese trade in 1961 will continue to expand, with the increase in imports slightly exceeding that in exports. Trade statistics for the first few months of this year tend to confirm this forecast.

Tariffs and Import Controls

In June 1960 the Government announced a three-year plan of import liberalization. The proportion of imports free from restriction rose only from 40 to 44 per cent during the year; scrap iron and pig iron were among the important commodities liberalized. In 1961, the proportion is due to rise to 65 per cent. Thus far, raw cotton, wool and steel have been liberalized. The Japanese have promised 80 per cent liberalization by the end of 1962.

The Japanese Tariff Council prepared in 1960 a proposed complete revision of the tariff system. It would appear that this new system is designed, at least in part, to counteract the effects of liberalization in the less competitive domestic industries. The tariff list has been expanded from 943 to 2,183 items, based on the Brussels nomenclature. The Council has recommended tariff quotas for some items and a system of emergency duties to be imposed administratively if an industry is being seriously threatened by imports. If it is approved by the Diet, the new tariff will probably come into force on June 1, 1961.

There has been considerable speculation about the effects on the Japanese economy of the U.S. economy measures designed to "save the dollar". Estimates of the amounts spent by the United States in Japan in 1960 through ICA and other means run at about $540 millio
The new U.S. policy will probab
reduce this by about $200 milli
in 1961, and it is the opinion
the Japanese Government th
Japan can sustain this loss witho
too much difficulty.

Canadian Trade

In keeping with Japan's curre
prosperity and her conseque
general large increase in import
Canadian exports to Japan in 19
reached an all-time high of $1

llion. Similarly imports from ban, at $110 million, set a ord. This makes Japan Canada's rd largest customer, after the ited States and the United King- n.

Following the previous pattern of nadian exports to Japan, bulk dstuffs and raw materials for lustry comprised almost the entire ount. The table on page eight bws the principal exports and re- als where trade in 1960 made the ef gains.

Because Canadian exports to ban consist essentially of primary ducts used in industry, it is sonable to assume that demand these products will continue to w as Japanese industry expands l increases its production. So far 1961 there is no indication of et-up in Japanese industrial ac- ity and interest in Canada as a rce of supply is growing. Exports wheat and other grains and seeds buld also continue high.

Canadian imports from Japan in- ased by about 6 per cent over 59 and consist virtually without ception of manufactured or pro- sed goods. The biggest single up of imports from Japan is tiles, which account for some- at less than 25 per cent of the al. A system of voluntary quotas bosed by Japan on its exports of tain textile and other products served to lessen and alleviate effect of these imports on the nadian market for such goods. Today Canada is one of Japan's ge markets and, on a per capita sis, Canada imports more from ban than almost any other coun- except Australia and Switzer- d.

tlook

Continued expansion is the an- unced policy of the Japanese vernment and in its election pro- m last November this policy was borated into a plan to double the ional income during the next ten rs. This involves, among other ngs, an economic growth rate of at least 9 per cent in the next three years and 7 per cent thereafter. The success of this policy will be determined in the main by general world economic conditions in the current year and in the years to come.

Although the record of 1960 and the current buoyant conditions certainly make one optimistic about the success of this plan, there are (as suggested previously) undoubtedly some vulnerable points in the Japanese economy. Imports are tending to increase faster than exports and at the same time competition in export markets from other highly industrialized countries is making itself felt.

Despite this, the determination and the ability of the Japanese to achieve their aims are clearly evident and they are so far meeting with success. Continued expansion of the Japanese economy augurs well for a growing market for Canadian products. ●

South Korea

Limitation to U.S. sources of many purchases with ICA funds, resumption of trade with Japan, and changes in exchange regulations lessen opportunities in this market, but certain products still stand good chance to compete.

C. M. KERR, *Assistant Commercial Secretary, Tokyo.*

THE year 1960 for the Republic of Korea was one of unrest, hesitancy, and retrenchment. The unrest that marked the early part of the year led up to the revolution in April and continued during the early months in power of the new regime. Hesitancy and retrenchment characterized the remainder of the year, as the new government sought solutions for problems that have beset the economy since the Korean war ended. The social and political uneasiness following the revolution led to more labour disputes, hesitation in investment and development projects, and a general slackening of the economic growth of recent years.

In spite of these developments, tight controls resulted in general price stabilization, exports increased significantly, and imports remained about the same as in 1959. Official figures indicate a slight increase in foreign exchange holdings, which totalled $154.8 million at the end of November 1960.

Trade Picture

Largely because of increased sales of tungsten, Korea's exports went up sharply in 1960 to $67.1 million. Some $32.5 million of this was accounted for by goods and services provided for the United Nations forces. Exports going out of the country registered a 67 per cent increase over 1959 and were second only to 1953, when they reached $44.1 million (largely because of high international prices for tungsten at that time). The major exports were:

Tungsten	$5.47 million
Grain (rice)	$3.7 "
Cotton cloth	$2.9 "
Iron ore	$2.5 "

Imports in 1960 are estimated provisionally at $302.9 million, or $235.8 million more than exports. DLF and ICA assistance from the United States, plus non-trade dollar

KOREA'S TRADE WITH CANADA

Canadian Exports to Korea	**1957**	**1958**	**1959**	**1960**
	(in thousands of dollars)			
	6,970	3,682	6,000	3,916
Principal Exports				
Ammonium sulphate			2,108	735
Nitrogen phosphate			511	297
Nitrogen fertilizer n.o.p.			607	103
Zinc spelter			554	557
Aluminum in primary forms			95	40
Lead in pigs, refined			55	10
Nickel fine			21	16
Asbestos milled fibres			20	
Asbestos milled fibres, Groups 4 and 5				7
Asbestos shorts, Groups 6, 7, 8, 9			17	77
Mining machinery and parts			8	65
Radio wireless apparatus n.o.p.				276

Canadian Imports from Korea	**1957**	**1958**	**1959**	**1959**	**1960**
				(eleven months)	
	34	21	235	235	404

expenditures of the United Nations command in Korea, helped to bridge the gap but the Government was also obliged to divert money from the capital account, thereby reducing the country's net assets.

Changes in Direction

A major change in 1960 was the resumption at mid-year of Korea's trade relations with Japan, at a standstill since March 1959. Exports to Japan in 1960 totalled approximately $20.9 million—compared with exports to the United States of $5.37 million and to Hong Kong of $2.9 million. The present government is generally expected to promote the expansion of trade relations with Japan. Low freight costs make this trade of mutual benefit and given encouragement, this should result in a change in direction and (to a lesser extent) in the type of Korean export trade. As for imports, Japan will probably supply a large share of those purchased on a global basis but the "Buy America" provisions of ICA and DLF assistance will limit the increase. On the export side, Japan's expanding manufacturing industries require large quantities of raw materials and this may stimulate the development of Korea's growing mining industry. This could prove a boon because, indirectly, it would be an incentive to international investment in the development of Korean mineral resources. As far as Canada is concerned, it could provide an important new market for those types of Canadian mining equipment that are competitive in price or quality with equipment from other countries.

Trade with Canada

Canada's trade with Korea has followed a predictable pattern in recent years, with exports from Canada exceeding by a large margin imports into Canada from Korea. Listed above are export and import statistics from 1957 to 1960, together with the principal commodities exported from Canada in 1959 and 1960. Imports into Canada from Korea consist almost entirely of tungsten.

Outlook for 1961

Trade with Canada in 1961 will probably be considerably less than in recent years, primarily because of the "Buy America" provisions of ICA aid from the United States. The United States has set aside approximately $180 million for ICA aid in Korea in 1961, million of which is reserved exports of surplus agricultural c modities under PL 480. Forme currency auctions for ICA-finan imports were on a global basis. a result of a change in the regu tions, recipients of ICA aid—s as Korea—can no longer these funds for imports from C ada, Japan, Britain, most Western Europe, Australia New Zealand. Canadian exp that will be affected by this cha include pulp, sulphur, fire c caustic soda, raw materials for manufacture of plastics, fish yarns, aluminum, zinc, iron steel, and some types of machin Fertilizer—Canada's major exp to Korea in recent years—is exception to the "Buy Ameri rule. Approximately $44 million ICA aid is budgeted for fertili and 60 per cent of this will available for currency auctions a global basis because U.S. pr ucers are not geared to sup more than 40 per cent of what market requires.

Korean officials state that proximately $50 million will available for global imports w Korean foreign exchange—that exchange earnings resulting fr Korean exports. Some $15 mill of this was offered at auctions h in January and February of t year. A list of the items which n be imported with these funds published at the beginning of year. Among those listed of int est to Canadian exporters are ny yarn; papermakers' felts; para oil; cedar lumber; limited amou of fertilizers; certain types of fi brick; steel sheets; limited qua ties of non-ferrous metals such aluminum ingot, zinc ingot, nic ingot and wire, and copper tubi asbestos; pulp, newsprint; inorga chemicals; synthetic resins; b tallow; industrial chemicals; p vaccine, and raw materials pharmaceuticals. The re-entry Japan into the Korean market a recent changes in the excha regulations may, however, make creasingly difficult for Canadian xporters to obtain orders for any of these products.

ew Regulations

One change likely to affect orean imports in 1961 is the ange in the exchange rate. Before ecember 31, 1960, the official ate was 600 Hwan to the dollar. In anuary 1961 it was increased to ,000 Hwan and in February it as adjusted to 1,250, with one ate of exchange applicable to all nports and to all earnings from xports.

This and other provisions of the ew exchange regulations are expected to lead to increases in the local cost of imports and to make it difficult to finance them. In addition, interest rates are high—ranging from 8 to 15 per cent a month —and because most business is done on letter of credit, a six-to eight-week delivery time can add considerably to c.i.f. prices—a factor, incidentally, that makes it more attractive for Korean firms to import from Japan.

Methods of Trading

Some of the problems of exporting to Korea have been outlined above, but other points worth keeping in mind are:

1. Proceed cautiously and seek reliable advice before entering this market for the first time.
2. Make sure the agent or representative you select has had considerable experience.
3. Conduct transactions on letter of credit unless you know your representative well.

Those with experience in the Korean market agree that it is a risky one, but exporters who proceed cautiously will find that it has its rewards. Readers may obtain additional information about it by writing to the Commercial Counsellor, Canadian Embassy, Tokyo. ●

Republic of China
(Taiwan)
Manila
Philippines

Philippines

Interested Canadian firms—particularly those offering equipment and services useful in developing natural resources and industry —should study this market now, as gradual reduction of exchange controls promises brighter long-term sales prospects.

T. G. MAJOR, *Consul General of Canada, Manila.*

THE Philippine economy continues to make progress. Basically it is an agricultural country and likely to continue so for a long time to come. It is generally recognized, however, that the dependence on rural industry must be lessened by the establishment of manufacturing plants able to compete with foreign suppliers, not only in the domestic market but also in the nearby Asian countries. This involves the problem of attracting capital from abroad. Although the past fifteen years have seen the springing up of a large number of industries, mainly of United States origin, many more will be required to satisfy the needs of a rapidly growing population.

The principal deterrents to the expansion of industry based on imported capital include the complicated system of exchange controls and the relatively high-cost economy. The first of these is by way of being eliminated by the gradual reduction of the controls. The Central Bank inaugurated last year a four-year program aimed at freeing the peso by 1964. Its implementation has been accelerated during recent months and it is now expected that, despite opposition in some quarters, the exchange control system will be gone by the end of 1961. The so-called margin fee on exchange transactions remains the most controversial element in the control system and its abolition will require congressional action, possibly along the lines of higher customs duties, to cushion the economic impact of its elimination.

Compared with neighbouring Asian countries, the Philippine economy is high cost, and this tends to restrict opportunities for the development of outlets for manufactured goods in areas where they would encounter competition from low-cost producers such as Japan, Hong Kong and West Germany. At the same time, the domestic market is restricted by the low purchasing power of the rural population and of a sizable segment of city dwellers.

"Filipino First" Policy

With the laudable objective of ensuring that, in the development of resources and industry, control should remain in the hands of the Philippine people, the "Filipino First" policy was enunciated some years ago. It has been implemented by a series of congressional enactments which seem to have had the over-all effect of making it difficult for foreign firms to establish plants in the Republic or to develop its abundant natural resources. There is evidence that, in the long run, Government and Congress will rationalize the practical application of the "Filipino First" policy so as to make the Philippines an attractive field for foreign capital. Until local capital and knowhow can be increased, expansion of the economy must depend largely on imported capital and technical assistance.

Current Business Picture

The current business situation is somewhat confused, mainly because this is an election year. The progress of legislation through Congress has been slowed up and both the statement of economic policies and the implementation of existing legislation tend to be affected. For this reason, it is difficult to analyze business trends.

In general, however, the state of the economy during the past eight or nine months has been reasonably satisfactory. Farm production has continued to rise, although a rice shortage has appeared and imports will be necessary. Subsidization of flue-cured Virginia tobacco, plus restrictions on imports for blending purposes, has resulted in the building up of a surplus of low-grade leaf. The sugar industry is healthy and the recent increase in the United States import quota has stimulated efforts to enlarge the area under production and to improve meth of growing cane and the techniq of cane-crushing and sugar-mark ing. Despite efforts to bolster abaca industry, it remains one the dark spots in the rural pictu because of disease and severe co petition from synthetic fibres.

The tight money policy whi was put into effect by the Cent Bank in 1959 to curb inflation c tinued through 1960 into 1961. T restriction of bank credit has duced non-essential imports a held down business expansion general. The money supply is s to be no greater now than t years ago. Prices have, howev moved up and with the increase population (now over 28 millio purchasing power has dropped a unemployment and under-emplo ment in the cities have increas somewhat. There are no statisti to show recent trends in industri production or retail sales, but o gathers the impression that t situation has been stationary duri the past year. A few new factori have been opened in the Mani area and early in March the Sing Sewing Machine Co. announced t conversion of its cabinet-maki and assembly branch into a Phili pine corporation. Within five yea it is expected that a sewing machi with an 85 per cent Philippine co tent will be produced.

Foreign Trade Expanding

During 1960 external trade i creased in value although complet figures for the year are not avai able. During the first half, export rose 24.7 per cent and imports 18. per cent over the same months i 1959. On the export side, sugar

Building up domestic industries has be come one of the chief objectives of th Philippine Government. (Left) Wome and girls sort tobacco in a local plan manufacturing cigars and cigarettes.

opra, logs and lumber, and unanufactured abaca accounted for most 75 per cent of the total alue. The pattern of imports reected expansion in industry, with creases in imports of non-electrial machinery, transport equipment, ase metals, and mineral fuels and bricants. These four groups made o 44 per cent of total imports. he textile and electrical machinery nd appliances groups displayed arp decreases; imports of cereals nd fish products rose. During the rst half of 1960, the United States are of total imports rose from 6.7 to 49.8 per cent. Exports to e United States declined from 1.9 to 53.0 per cent; shipments Northwest Europe and Asia gether rose from 35.1 to 43.1 per ent, reflecting a decreasing deendence on the U.S. market. Japan ontinued to be the Philippines' econd trading partner and in Deember 1960 a treaty of "amity, ommerce and navigation" was egotiated between the two counries.

rade with Canada

The pattern of trade between the hilippines and Canada changed ttle last year. Canadian exports eclined slightly in value—from 14.86 million in 1959 to $14.81 illion in 1960. Philippine sales to anada for the first eleven months f the year reached $1.74 million ompared with the $1.4 million for he whole of 1959. Wheat and heat flour and newsprint remained he principal Canadian exports, but romising upturns occurred in coper products, zinc spelter, synthetic ubber and malt. Shipments of wood ulp decreased, probably because of he large purchases in 1959. As a esult of expansion in the Philipine industry, imports of nitroenous fertilizers from Canada now re only a small fraction of 1958 hipments. Despite the rise in exorts of flour in 1960 (from $5.3 nillion in 1959 to $6.5 million in 960) this trade must be regarded s near its end. With two mills in operation and two more under construction, domestic production of flour will more than meet Philippine requirements. The situation in wheat is uncertain. In recent months, however, agreements with United States mills have switched the principal source of supply from Canada to the United States. Chrome ore, desiccated coconut, manila fibre (abaca) and lumber products were again the principal commodities brought into Canada from the Republic.

The sound basis of the Philippine economy indicates a growing market potential for commodities and services needed in the development of natural resources and manufacturing industries. The present short-term period of uncertainty—the result of the gradual elimination of exchange control—provides an excellent opportunity for interested Canadian firms to explore the Philippine market thoroughly—and soon. Competition is and will be keen. ●

Taiwan

Government is working on building up industry, attracting foreign capital; economy still bolstered by U.S. aid. Canada is selling wider range of products, with wood pulp and metals in lead.

R. M. DAWSON, *Vice Consul and Assistant Trade Commissioner, Manila.*

THE year 1960 brought steady growth in the Taiwan economy. Although final figures are not yet available, real national income is expected to exceed the average annual increase of 6.2 per cent of the previous two years. Exports, at U.S.-$169.8 million, were the highest since the Nationalist Chinese moved their seat of government to Taiwan. Imports, excluding large amounts of U.S. aid, decreased by 4.7 per cent to U.S.$143.2 million.

How to balance the economy while reducing the heavy dependence on U.S. aid, which reached U.S.$99 million last year, remains the major issue facing the Taiwan Government.

Economic progress has not relieved the acute problems facing the country. The population density is even higher than in Japan—and on a predominantly mountainous island with only one-quarter of its area suitable for cultivation. There is little prospect of expanding crop acreage so production must be increased by using improved farming techniques, better seed strains, more irrigation and more fertilizer on land already cultivated intensively. One of the highest rates of population increase in the world, approximately 3.5 per cent a year, adds to the difficulty.

Industrialization is the central theme of the Government's third Four Year Economic Plan, scheduled to run from 1961 to 1964. Featured in this scheme (which will cost N.T.$45 billion)* will be an allocation of N.T.$20 billion for capital investment in industry. N.T.$8 billion will be channelled to agriculture and the remainder used to develop transportation and communications.

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*N.T.$40.03 equals U.S.$1, throughout this report.

At the present time, government corporations control most of plant capacity. With its resources already taxed, the administration cannot expect to expand the economy without stimulating foreign investment. To help lessen the reluctance of foreign investors to participate in Taiwan's economic progress, a "Statute for Encouragement of Investment" was put into effect last September. Some of the incentives that this law provides are listed below:

- A five-year tax holiday for new enterprises (previously three years).
- A reduced maximum rate of business income tax of 18 per cent (previous maximum was 32½ per cent).
- Revaluation of assets when wholesale price index rises 25 per cent above the base figure of January 1, 1961, or the figure on the date of the last revaluation.
- Import duties on machinery and equipment may be paid in instalments after the machinery has been put into operation.

The security problem still bothers many prospective foreign investors, yet the Government is hopeful that the tax exemption privileges offered under the new statute, reputed to be as attractive as those offered in Hong Kong, will outweigh this factor. Interest on the part of Overseas Chinese, Japanese and U.S. investors has taken a pronounced upturn with the passing of the new law.

Monetary Policy

Business conditions in Taiwan remain buoyant, but concern over inflation is affecting monetary policy. A tight money situation continues, with interest rates (from the most recent statistics we have available) averaging about 20 per cent. Interest rates outside banking circles run much higher and cause considerable pressure on firms hard pressed for operating capital. In spite of the Government's efforts to tighten the credit situation, bank reserves continue at high levels and are a factor contributing to inflation.

IMPORT FOREIGN EXCHANGE SETTLEMENT, JAN.-DEC. 1960*

	Jan.-Dec. 1959	Jan.-Dec. 1960
	('000 of U.S.$)	
Raw cotton	4,808	7,097
Wool and manufactures	2,645	2,878
Silk and manufactures	2,810	4,275
Ores, metals and products	21,401	18,737
Machinery and tools	21,634	20,774
Vessels, vehicles and parts	14,072	9,504
Electrical appliances	4,503	4,146
Rice	753	3,220
Beans and peas	877	4,652
Milk and products	1,733	2,214
Chemicals	4,932	4,819
Chemical fertilizers	22,220	13,875
Paints and dyes	2,640	2,502
Pharmaceuticals	4,475	4,685
Oils and waxes	3,880	4,019
Crude petroleum and fuel oil	13,266	10,827
Paper and pulp	2,328	2,577
Scientific instruments	2,297	2,704
Rubber and manufactures	3,619	2,374
Timber	2,699	2,507
Leather and hide	1,040	1,440
Others	11,734	13,407
Total	**150,366**	**143,233**

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*Excludes U.S. aid.

Source: Taiwan *Commercial Bulletin* January 20, 1961.

The campaign for increased industrialization still leaves Taiwan with a shortage of medium and long-term financing. A private company was incorporated in mid-1959 to help fill the vacuum and a government industrial bank was reactivated in February 1960. These, however, can only satisfy part of the demand for funds.

Any sudden reduction of U.S. aid —almost U.S.$100 million in 1960 —would cause a real foreign exchange crisis. Consequently the gradual expansion of exports is not sufficient to permit any relaxation of exchange and trade controls or the setting of a free exchange rate on New Taiwan dollars. The United States, it seems, must continue to bolster the economy through ai programs for many years to com

Foreign Trade

The table on the left show import and export trends betwee 1959 and 1960.

Import requirements for machinery and industrial raw materia will continue to rise as Taiwan industrial production expand Land shortage is resulting in levelling-off in agricultural outpu but the bulk of the growing import of foodstuffs are being supplie under U.S. agricultural surplus disposal programs.

Familiarity with Japanese equipment, in addition to price an barter transactions, continue t make Japan Taiwan's most important commercial trading partne The United States remains th second largest supplier, with Wes Germany third, heading a list o nominal exporters including Canada.

Canadian Sales Up

Canadian sales rose 70 per cen in 1960 over the previous year an totalled Can.$2.9 million. Large shipments of milk powder, presumably under UNICEF, accounted fo a good portion of the rise, althoug it is apparent from an examinatio of Canadian export statistics tha we are selling a wider range o commodities to Taiwan. Wood pul and metals continue to be our leading exports.

Many Canadian exporters wh have focused their sales efforts o Asia continue to ignore the expanding sales opportunities in Taiwan We recommend that this territor be included in regular sales visits t the Far East. If this is not convenient, the Canadian Consulat General, P.O. Box 1825, Manila Philippines, will endeavour to assist by exploring market prospect and recommending agents. Officer from the Consulate make periodi visits to Taiwan and will be please to follow up any matters of concern to Canadian exporters. ●

Indonesia
Djakarta

Indonesia

ight Year Plan, adopted last December, may stimulate imports om countries which can offer long-term credits. Continuing infla-on, budget deficits are among obstacles to economic progress.

C. J. WEBSTER, *Chargé d'Affaires, a.i., Djakarta.*

URING the past year, the Indo-sian Government devoted most its attention to tightening its con-ols on trade, to the development nationalistic land and oil policies, d to the resumption of economic anning, which was disrupted in 58. The further erosion of rebel rength made conditions somewhat ore favourable for production in me areas, but it is doubtful hether smuggling was significantly rtailed. The Government failed to rest a general decline in produc-on and to check inflation.

Early returns suggest that output tin, bauxite and coal was up ghtly, that production of petro-lum, natural gas, and silver held about the 1959 level, and at manganese and gold declined arply. Despite a special effort, e production apparently failed to se and the output of estate agri-lture, except for palm products d tea, sank still further. Small-lder production, which accounted for half of all agricultural exports, held roughly to the 1959 level. Total rubber output declined and that of sugar dropped by about 25 per cent.

Trade and Payments

The budget deficit—the ninth in as many years and probably larger than the Rp.1.9 billion expected—was again financed by advances from the Central Bank. The volume of money in circulation had risen by the end of the year by a further 25 per cent to Rp.34.5 billion. While the "food and clothing" campaign probably slowed up the rise of official prices for these necessities, it failed to prevent recurrent shortages; the distribution system was heavily congested at the end of the year and costs in general continued to climb. Despite high world prices for rubber, exports for the first ten months were down from U.S.$716 to U.S.$700 million; imports for the same period were up from U.S.$335 to U.S.$452 million. Although the resulting surplus on commodities account of $247 million was about 30 per cent below that of the previous year, it was still sufficient to raise gold and foreign exchange reserves by about Rp.3.6 billion.

Canadian trade with Indonesia was slightly larger than in the past three years, as the following table shows.

	Canadian Exports to Indonesia	Canadian Imports from Indonesia
1957	$1,633,330	$964,807
1958	1,694,703	230,628
1959	1,759,987	155,526
1960	2,110,368	507,008 (11 mos.)

As usual, our principal exports were industrial raw materials, automobiles, machinery and spare parts. (Of the $2.1 million total in 1960, some $340,000 represented a gift of wheat under the Colombo Plan.)

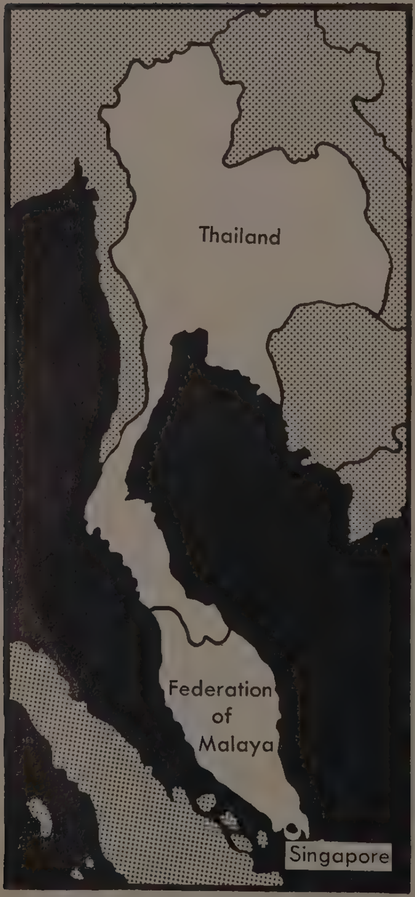
Foreign Loans and Credits

Last year, Indonesia accepted several important new foreign loans. These included $33.2 million from the Export-Import Bank for the construction of a fertilizer plant and $14.3 million for a thermal power station. A third PL 480 agreement with the United States provided a further $16 million in aid and the Development Loan Fund supplied $11.6 million for the improvement of land and marine transport. The U.S.S.R. offered $250 million for a number of development projects, and Czechoslovakia and Poland offered $34 million and $2.5 million for cement plants. The U.S.S.R. also provided credits totalling several hundred million dollars to cover the purchase of equipment for the armed forces, and Japan concluded an agreement for the development of oilfields in northern Sumatra. It does not appear, however, that foreign loans were heavily drawn down.

The Government continued the reorganization of its trading apparatus by excluding all Chinese businessmen from retail trade in the rural areas and by encouraging the growth of co-operatives. The Big Eight trading corporations (which hold a monopoly on basic imports) reported much larger profits and their tax payments began to make a significant contribution to the national revenue. A relaxation of restrictions on imports in August somewhat improved the supply of industrial raw materials and sharply accelerated the inward flow of less essential goods. The land reform of September abolished all foreign titles and substituted a variety of tenures. Although the implications of the new law were not fully defined, it seemed to point clearly toward the ultimate exclusion of foreign capital from plantation agriculture. In December, the Government adopted a new Eight Year Plan which envisages the investment of Rp.30 billion a year and which may stimulate imports from those countries which have provided, or are prepared to provide, special long-term credits.

Looking Ahead

The outlook for 1961 is for continuing inflation. Whereas revenue is expected to reach Rp.66 billion, expenditure is to total Rp.82.65 billion, of which Rp.30 billion is to be invested. Of the total deficit of Rp.16 billion, Rp.10 billion is to be covered by funds which were frozen in 1959 and which have been assigned as initial capital to the new Development Bank; the remainder is to be covered by advances by the central bank. Because heavy floo ing at the turn of the year m increase the need for imported ric and because the expansion of t armed forces and the inception the Eight Year Plan will ent increased procurements abroad, t demand for foreign exchange expected to rise. Yet the producti picture does not suggest that ear ings will increase proportionate and they might even decline, world prices for petroleum and ru ber do not hold firm. Thus a sho age of foreign exchange and defic in the balance of trade and of pa ments are a likely prospect. F this reason, it would not appear th normal commercial imports, whi have been held for several years somewhere near rock-bottom leve are likely to rise significantly. ●



Singapore

Canadians are selling a greater variety and volume of goods t Singapore. Sources of income in the area remain stable, but increa ing population heightens need for industrialization.

E. H. MAGUIRE, *Trade Commissioner, Singapore.*

BUSINESS is good in Singapore. Last month the usual Chinese New Year buying spree was as heavy, if not heavier, than in the previous year, when rubber prices were considerably higher. Total tonnage of cargoes loaded and unloaded in Singapore during 1960 was little changed from 1959 figures. Foreign trade was a little higher in value than in the previous year and imports from Canada and the United States increased substantially. It appears that Singapore's role as entrepôt port for South East Asia will not become less important in the forseeable future despite the development of competing port such as Port Swettenham an Djakarta. Prosperous conditions i the British Borneo territories als contribute to Singapore's well-bein The Government is adhering to policy of industrialization to com plement entrepôt trade; importa industries are being established an work is proceeding on the develo ment of an extensive industri area. Provided the labour situatio remains reasonably quiet, industri development is expected to pr gress.

Preliminary figures show th over 9 million tons of cargo we oaded in Singapore in 1960, of ich nearly 4 million tons was eral cargo. Outward cargo total- about 5 million tons, about half which was general cargo. Singa- e's trade in 1960 totalled M$- 98 million* in value, compared h M$5,826 million in 1959. It s the third best year in the coun- 's economic history. (In 1951, Korean boom year, trade total- M$7,723 million and in 1957, 6,080 million.)

n 1960, the direction of Singa- e's foreign trade was as follows: mmonwealth (including Can-) 26 per cent, Federation of laya 22 per cent, Indonesia 15 cent, Europe (including the .S.R) 12 per cent, the Americas cluding Canada) 7 per cent, pan 6 per cent, others 12 per t. Singapore's leading trading tners were the Federation of laya, Indonesia, the United gdom, Japan, the United States, awak and Australia.

ying and Selling

mports for 1960 totalled M$- 25 million and exports M$2,634 lion; corresponding amounts for 1959 were M$3,105 million and M$2,720 million. Trade with Indonesia proved disappointing: imports, consisting mostly of rubber and other produce for re-export, dropped to M$992 million from M$1,136 million in 1959, and exports decreased from M$131.5 to M$123 million. On the other hand, entrepôt trade with Sarawak increased; imports rose from M$184.4 million in 1959 to M$204 million last year, and exports increased from M$82 to M$86 million.

Trade with the Federation of Malaya increased moderately—to about M$850 million each way—but Singapore's share in handling the trade of the Federation fell off. This was because of the increasing tendency in Malaya to buy directly from and sell directly to world markets rather than through Singapore; it also reflects the growing importance of Port Swettenham. During the year Singapore handled 40 per cent of the Federation's imports (42 per cent in 1959) and 29 per cent of her exports (32 per cent in 1959).

A feature of Singapore's trade in 1960 was the substantial increase in imports from the United Kingdom, Sarawak, West Germany, the United States, Japan, the U.S.S.R. and Canada. The increases with Canada and the United States resulted directly from the relaxation of import restrictions on goods

SINGAPORE'S TRADE

	Exports		Imports	
	1959	1960	1959	1960
	(millions of Malayan dollars)			
United Kingdom	274	289	324.7	360
Sarawak	82.1	86	184.4	204
Australia	124	134	111.7	107
West Germany	89	79	60	72
Netherlands	83.7	59	58.5	59
India	57	70	60.2	51
Indonesia	131.3	123	1,135.7	992
Japan	121	158	240	294
Communist China	116	77	131	141
Federation of Malaya	800	850	800	850
United States	292	252	125	157
U.S.S.R.	164.1	66	2.2	6
Thailand	94	1.6	146.5	152
Canada	59.2	49.3	9.9	13.7

These bales of Malayan rubber, each weighing 250 pounds, are being offloaded in Singapore for transhipment at that port. To the left, a "tongkang" loaded with boxes of pineapple that will be transferred to a ship lying in the harbour and taking on cargo for far-distant destinations.

Three Malayan dollars=one Canadian ar.

from the dollar area in August 1959.

Singapore's trade with its principal trading partners in 1959 and 1960 is shown in the table on page 17.

Trade with Canada

Imports from Canada rose from M$9.9 million in 1959 to M$13.7 million in 1960, an increase of 38.4 per cent. Exports to Canada—chiefly rubber, tin, vegetable oils and canned pineapple, originating mostly in Malaya and British Borneo—declined from M$-59.2 million in 1959 to M$49.3 million in 1960. It is probable that more than half the goods landed in Singapore from Canada were re-exported to Malaya, British Borneo territories and, in some cases, Indonesia. A breakdown of imports from Canada is not given in local statistics, but Canadian statistics on exports to Singapore and the Federation as a unit can be used as a guide. They show that trade is becoming more widely diversified: about 182 class numbers are listed for 1960 and less than 100 for 1959.

PRINCIPAL CANADIAN EXPORTS TO SINGAPORE AND MALAYA

	1959	1960
	(in Can. dollars)	
Wheat flour	1,011,404	953,527
Passenger automobiles	384,918	767,972
Marine engines and parts	611,868	725,031
Rolled oats	363,813	473,725
Drugs and chemicals	96,360	189,589
Plastics basic shape form		167,729
Asbestos milled fibres	9,050	156,852
Files and rasps	41,442	141,180
Men's cotton shirts and pyjamas	6,571	88,857
Total including all others	3,257,693	4,659,991

Industrialization Needed

Singapore is faced with the problem of a rapidly growing population. Because no large increase in entrepôt trade activities is expected, the Government is keenly aware of the need for industrialization. It is making every effort to attract industry by means of tax and other concessions similar to those granted in the Federation. The undeveloped Jurong area on the southwest corner of Singapore Island is being turned into an 18,000-acre industrial estate. Detailed surveys are being conducted and access roads are under construction. A complete new city will be built around heavy industries set along the waterfront. The Government hopes that an iron and steel mill using ore from the Federation and coal from Indonesia will form the nucleus of the estate, around which shipbuilding, shipbreaking and other industries are planned. A United Nations t
of experts is currently in Singa
carrying out studies to deter
the size, type and scope of the
mill to be constructed.

Two new oil refineries,
with a capacity of a million to
year, are being built. A well-kn
British-Dutch concern and a c
sortium of two Japanese oil c
panies are backing the pro
Both groups will be exempt f
income tax for five years from
day production begins, and
plants will cater to South
Asia's increasing demand for
fined products. ●

Federation of Malaya

Canada's sales to Malaya rose 26 per cent last year, as removal import restrictions opened up this market. Good rubber pric bigger tin exports brought prosperity, financed development proje encouraged private investment in industry.

E. H. MAGUIRE, *Trade Commissioner, Singapore.*

THE Federation of Malaya is continuing to make progress. Business is brisk and prosperous. Foreign trade is being maintained at a high level and returns for 1960 show a substantial favourable balance on commodity trade. The balance-of-payments situation is satisfactory and the financial position strong. The Government is budgeting for a small surplus this year, after realizing a sizable one on current account last year. The first Five Year Plan for economic development has been successfully concluded and a second Five Year Plan has been announced. The flow of investment capital from abroad, so necessary for development, appears to be adequate. Malayan imports from Canada are rising at an encouraging rate and its exports to Canada
increasing.

Rubber and Its Future

Official policy is to diversify
economy, thus lessening its deper
ence on the two main exports, ru
ber and tin. The Federation n
accounts for one-third of
world's supply of these two co
modities. Rubber is the Federatio
most important export and accou
for about 65 per cent of the plant
area; rubber and tin together ma
up 80 per cent of the total value
Malayan exports. Because Mala
realizes that its prime dependen
on rubber is not likely to chan
radically in the foreseeable futu
the extensive replanting schen
begun just after World War II

ti being actively fostered by gov-
rnment and the industry. It is
nnced by a levy on exports of
uber. At present, roughly half of
otal planted area of 3.8 million
cs has been planted with high-
iding trees. The Government and
ustry are keenly aware of the
rblem of competing with syn-
lic rubber—particularly the new
teo-synthetics, which are re-
cted to have the same properties
snatural rubber. However, there
eneral confidence that the new
h-yielding stock in the replanted
as will reduce costs sufficiently
llow natural rubber to compete
cessfully with synthetic rubbers
world markets for many years.

rkets and Prices

Rubber production in Malaya
icluding Singapore Island, which
duces only small quantities) in
60 reached 710,000 tons, com-
ed with 698,000 in 1959. Im-
ts from neighbouring countries
incipally Indonesia) for tranship-
nt totalled 418,000 tons. Exports
of rubber from Malaya, including re-exports, reached 1,077,000 tons in 1960 compared with 1,201,000 in 1959, because of smaller quantities shipped to the United States and to Iron Curtain countries (whose purchases were only half that of the previous year). Principal markets, in order of importance, were the United States, the United Kingdom and the U.S.S.R.

In 1960 the price of top-grade rubber varied from M$1.40 to M$0.83 a pound. The peak was reached in May and then prices declined steadily until the end of the year, as a result of releases from United States and United Kingdom stockpiles during the first half of 1960 and the smaller purchases of Iron Curtain countries. The average price in 1960 was M$1.09 a pound, compared with M$1.01 in 1959. The price continued to decline early in 1961 and reached a low of M$0.776 in February. There has been a recovery and the price is now M$0.85. There was little change in the Malayan stock posi-

—U.K. Information Office.

These stevedores at Port Swettenham are loading bales of rubber for shipment overseas. This port has expanded its facilities since Malaya became independent, now handles an increasing percentage of its trade.

Federation Frames a Second Plan

THE Parliament of the Federation of Malaya recently approved a second Five Year Plan, to run from 1961-1965. More ambitious than the first one, in which total investment (public and private) reached about M$3,000 million, this one calls for a total of M$5,050 million. Of this, M$2,150 million will be spent in the public and M$2,900 in the private sector.

In shaping the objectives of the new Plan, Malaya has borne in mind its three chief economic problems: the high rate of population growth, the depressed conditions in rural areas, and the need for economic diversification. The announced objectives are:

- To provide opportunities and facilities for the rural population to improve its standard of living.
- To find employment for the working force, which is expected to increase 15 per cent during the period that the Plan covers.
- To raise the per capita output of the economy and to protect the individual's living standards against the adverse effects of a possible decline in rubber prices.
- To widen the variety of Malayan production of other suitable agricultural products in addition to rubber, and at the same time give reasonable encouragement to industrial expansion.
- To improve and extend social services.

The Plan definitely stresses rural development and this will absorb 25 per cent of the planned public investment. Of a total public investment of M$2,150 million, about M$1,285 million will come from government financial sources and national savings and M$505 million from foreign loans and grants. Borrowing from abroad on the scale proposed would increase annual service charges on the Federation's foreign debt to a figure still less than 3 per cent of earnings from exports.

FEDERATION OF MALAYA TRADE

Main Commodity Groups	Imports, c.i.f. Jan.-June 1960 From or via Singapore	Direct from overseas	Total	Exports, f.o.b. Jan.-June 1960 To or via Singapore	Direct to overseas	Total
	(millions of Malayan dollars)					
Food	100	169	269	40	12	52
Beverages and tobacco	18	24	42			
Crude material, inedible	30	135	165	356	750	1,106
Mineral fuels	29	43	72		4	4
Oils, animal, vegetable	1	6	7	15	26	41
Chemicals	26	46	72	4	4	8
Manufactured goods	88	85	173	8	224	232
Machinery and transport	77	79	156	9	5	14
Miscellaneous manufactured articles	28	29	57	6	2	8
Miscellaneous transactions, n.e.s.	17	5	22	5	6	11
TOTAL	414	621	1,035	443	1,033	1,476

MALAYA'S PRINCIPAL TRADIN PARTNERS

Exports	January-Septembe 1959	1960
	(millions of Malaya dollars)	
Singapore	301	500
United Kingdom	242	295
Japan	224	292
United States	209	244
West Germany	88	174
France	59	88
Italy	62	83
India	37	65
Poland	25	47
U.S.S.R.	152	46
Imports		
Singapore		500*
United Kingdom	284	338
Indonesia	146	252
Thailand	144	193
Japan	88	120
Australia	63	77
Communist China	53	64
United States	36	60
Hong Kong	51	59
West Germany	42	58

*Approximately.

tion from one year-end to the next. The rubber trade is optimistic about prospects for the rest of 1961.

Mining Industry Prospers

Tin export quotas imposed by the International Tin Council were abolished in 1960 and resulted in a large increase in tin exports from the Federation compared with the previous year. Tin exports (including re-exports of 20-21,000 tons) rose from 44,671 tons in 1959 to 76,367 in 1960. The average price for the year was M$393 a picul. There was a modest decline in the first two months of this year but the price has now recovered to about M$405 a picul. The stock position has changed little over the past 12 months or so and the trade views prospects to the end of 1961 with equanimity.

Production of iron ore in the Federation increased sharply; the current yearly rate of production approximates 6 million tons. Exports for the first eleven months of 1960—all of which went to Japan—totalled 5.2 million tons as against only 3.7 million in 1959. Output of bauxite is also rising and again Japan is the sole customer. Bauxite exports rose from 364,000 tons in 1959 to 413,000 in the first eleven months of last year.

Financial Position Good

The Federation is in a strong financial position. It shares a common currency (called Straits or Malayan dollars) with Singapore and the British Borneo territories; three Malayan dollars equal one Canadian dollar. The note issue is backed by sterling assets reported to exceed M$1,100 million, equal in value to 100 to 110 per cent of its liabilities. At the end of 1960 the total funded debt stood at M$1,127 million; service charges amounted to less than 10 per cent of the revenues for that year. Foreign exchange held in the Federation, including balances held by banks and the Federation's share of reserves against the note issue, totalled about M$2,100 million at the end of 1960. The official external debt, net of sinking fund, at the end of the year was about M$450 million, equal to a little over half of the Government's sterling holdings.

The final figures on the Federation's 1960 budget are expected to show a surplus on current account of about M$170 million instead of the estimated deficit of M$14 million, because of unexpectedly high rubber prices. The Government has budgeted this year for a surplus of M$13 million, with revenue es mated at M$971 million and e penditure at M$958 million. T reserves are expected to tot M$652 million when the accoun for 1960 are closed.

Development Promoted

The Federation's first Five Ye Plan (1955-60) did not really g under way until 1956. As a resu total public investment, at M$1,0 million, fell short of the target b only by about 15 per cent. It wa however, nearly double that of th preceding five years and privat investment also exceeded the pr 1956 figures. Public investment wa devoted to providing basic faciliti and services needed for the e pansion of the economy—rubbe replanting, transportation and con munications, electric power facil ties, and so on. Total investmen private and public, amounted t about M$3,000 million. Output goods and services increased abou 20 per cent during the period, mor rapidly than the rise in populatio

oduction of rice and palm oil, in
rticular, showed marked increases.
the non-agricultural section of
e economy, there was a boom in
n ore mining and the output of
anufactured goods rose sharply.

The main increase in investment
the private sector was concen-
ted in manufacturing. The estab-
hment of the Petaling Jaya
dustrial estate near Kuala Lumpur
d the incentives to investors
ered by the Government attracted
dustrial investment. More than
10 factory lots in the estate have
en sold to companies producing
ocessed foods, beverages, ciga-
ttes, pharmaceuticals, paints and
emicals, printed materials, tin
ntainers, plastics, electrical appli-
ces and construction materials.
bout 80 factories have begun pro-
ction. Under the Pioneer Industry
licy inaugurated in 1958, which
empts pioneer industries from
come tax for from two to five
ars, more than 50 firms with a
id-up capital of about M$27 mil-
n and producing 238 products
ve been awarded pioneer status.
rms in this category may also
tition the Tariff Advisory Board
r reductions in duties on compo-
nts for manufacture and for in-
eases in duties on imports of
ished goods. The Board has
commended certain tariff changes
d these the Government has
ade. However, on each applica-
n the Board invites comments
om those who might be adversely
fected and is very circumspect in
ming to its decisions.

rade Surplus Achieved

Preliminary returns indicate that
e value of the Federation's foreign
ade in 1960 was the highest since
e Korean boom years—about
$5,000 million, compared with
$4,150 million in 1959. Imports,
i.f., were valued at about M$2,150
illion (M$1,739 million in 1959)
d exports and re-exports, f.o.b., at
out M$2,900 million (M$2,470
illion in 1959), giving a favour-
le balance of about M$750 mil-
n (M$731 million in 1959).

An analysis of the Federation's foreign trade is complicated because of Singapore's function as an entrepôt port. Singapore merchants buy goods abroad, land them in Singapore, and sell them to customers in the Federation. In the same manner, they purchase Malayan products and sell them abroad. In 1960, the value of the Federation's trade with Singapore was about M$850 million each way, or a total trade of about M$1,700 million. It is estimated that four-fifths of the value of total trade with Singapore represented goods that came from abroad through Singapore or were re-exported from Singapore to overseas markets.

The accompanying table illustrates the categories of goods traded to and from the Federation and their values for January-June 1960.

The United Kingdom is the Federation's best customer and leading supplier; it is the source of about 21 per cent of the Federation's imports, about 10 per cent more than any other country. The Federation traditionally has a trade deficit with the United Kingdom but surpluses with most other countries, including Canada and the United States. The bulk of its exports, consisting chiefly of rubber and tin, go to the more highly industrialized countries of Europe and North America and to Indonesia, Thailand and Japan. The highlight of 1960's trade was the marked increase in imports from the United States and Canada resulting from the relaxation in August 1959 of import restrictions on goods from dollar countries. Although this trade is still relatively small, in 1960 the value of imports from the United States increased by 75 to 80 per cent and from Canada by about 26 per cent.

The accompanying table shows the principal countries trading with the Federation in 1960 and 1959.

Trade with Canada

The latest official Malayan statistics show that imports into the Federation from Canada amounted to M$3.5 million in the first six months of 1960, compared with M$1.8 million in the same period of 1959. In addition, goods of an unknown value were imported into Singapore from Canada and re-exported to the Federation. Exports to Canada during these six-month periods rose from M$14.8 million in 1959 to M$18.3 million in 1960. Principal products sold to Canada were crude rubber, tin, and vegetable oils. Principal purchases from Canada were motor vehicles, wheat flour, cereal preparations, marine engines, power generators, aluminum and chemicals.

The market is wide open to Canadian goods but it is highly competitive. Malayans are extremely brand-conscious and brand names that are household words in Britain and in some cases in the United States are just as well known in the Federation. Sales in volume can only be made by extensive advertising and close attention to market requirements. A well known Canadian brand of rolled oats and a Canadian brand of household wash bleach are successfully marketed in the Federation as a result of good promotion. In other words, Canadian exporters of consumer goods, if they wish to gain entry into this market, must be prepared to regard it the same way as they would the Canadian market. This includes a willingness to contribute adequate sums of money for advertising and to sell what the market wants.

THE Export Credits Insurance Corporation reported to Parliament recently that last year its insured exports valued at $63.5 million, some $16 million, or 34 per cent, more than in 1959. In addition, it insured goods valued at $38.2 million under authority of Section 21 of the Act. At the end of the year it had 247 policies in force, covering a wide variety of products shipped to some ninety countries. Liabilities under these policies totalled $63.4 million. The Corporation was set up at the end of the war in 1945 and since then has insured export sales valued at $920 million. It has paid out $10.3 million in claims to Canadian exporters and has recovered $7.4 million.

Thailand

Thailand's Six-Year Development Plan, with its emphasis on more industries, should create better markets for raw materials and semi-manufactured products, improve opportunities for Canada.

E. H. MAGUIRE, *Trade Commissioner, Singapore.*

LAST year was a good one for Thailand and the prospects for continued economic growth are bright. Foreign exchange reserves, bolstered by loans and grants from the United States and loans from international organizations, have reached a safe level. Government revenues have increased. The International Bank for Reconstruction and Development has declared Thailand creditworthy. The chronic deficit in visible foreign trade has been sharply reduced and a wider range of commodities are now earning foreign exchange in export markets, thus making the country less vulnerable to the vagaries of the world rice market.

Imports, including those from Canada, have also risen. Credit has remained tight and importers have been asking for and obtaining longer credit terms from overseas suppliers; restrictions on imports have been reduced to a mere formality. A Six-Year Development Plan has been put into effect, but progress toward industrialization has been slow.

Thailand's Foreign Trade

Thailand's foreign trade can be expected to improve as the economy expands. In 1960, imports totalled Baht 9,537 million,* and exports Baht 8,617 million, leaving a trading deficit of Baht 920 million, compared with Baht 1,266 million in 1959 and Baht 1,577 million in 1958. (Imports in 1959 totalled Baht 8,842 million and exports Baht 7,576 million.) In 1960 for the first time the value of rubber exports exceeded the value of rice exports, and exports of maize, tapioca and jute earned large amounts in foreign markets. In recent years the Government has encouraged larger plantings of these products. Production of maize rose from 22,000 tons in 1950 to an estimated 400,000 tons last year, of which 350,000 tons were exported. Exports of rice reached 1.2 million tons, compared with 1.1 million in 1959 and 1.6 million in the peak year 1957. Rubber exports decreased from 174,409 tons in 1959 to 159,000 tons in 1960, but higher prices more than offset the difference. Tin exports increased to 16,400 tons from 13,549 in 1959. The Thai teak industry is reportedly declining because of over-cutting of accessible timber and the supply of good logs coming to market is steadily diminishing.

Japan and the United States dominate Thailand's import trade. In the first nine months of 1960, imports from Japan totalled about Baht 1,700 million, an increase of about Baht 250 million over the first nine months of 1959. Imports from the United States reached some Baht 1,200 million for the nine-month period—about Baht 100 million more than the comparable 1959 figure. The United Kingdom ran a poor third, supplying goods worth about Baht 700 million. Other important suppliers were Singapore, West Germany, Hong Kong and the Netherlands. Japan holds by far the largest share of the consumer goods market but transportation, road construction and agricultural equipment originate mostly in the United States because most imports of t type are purchased with U.S. a funds.

Trade with Canada

Thailand's trade with Canada small but is increasing year by ye as the country becomes more indu trialized. Canadian statistics sho that Thai exports to Canada ru at more or less Can.$600,000 $700,000 a year—principally cru lac, rubber and teak lumber. Can dian exports to Thailand in 195 totalled Can.$1.9 million, but 1960 they rose to Can.$2.7 millio The principal exports for 1959 an 1960 are listed in the accompanyin table.

PRINCIPAL CANADIAN EXPORTS TO THAILAND

	1959	1960
Total exports	$1,937,095	$2,709,50
of which:		
Wheat flour	617,404	561,41
Semi-fabricated aluminum	247,606	390,92
Zinc spelter	35,385	298,41
Files and rasps	147,169	184,27
Polystyrene	42,914	107,53
Sheet and strip steel		89,27
Fountain pens	1,536	85,01

Thailand is primarily a marke for Canadian raw materials an semi-manufactured products. However such things as fountain pen and files can be sold, as the accompanying table shows. Canadian exporters of consumer goods shoul bear in mind that Thailand is essentially a price market—quality is o secondary importance. Exporters o raw materials and semi-manufactured products are urged to look again at the market; for instance, there are opportunities for the sale of asbestos fibre and wood pulp. The country is changing over its electrical wiring system from 110 to 220 volts and this is creating a heavy demand for copper wire and cable.

New Industrialization

The Thai Government is anxious to attract industrial development capital but there has so far been

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*One Canadian dollar=approximately Baht 20.5.

ile response, partly because of the
certain political situation in
ighbouring countries. An Indus-
al Promotion Act enacted last
ar offers incentives to foreign
pital, and a Board of Investment
ides the admission of new indus-
es. Last year new plants for mak-
g or processing sulphuric acid, dry
l batteries, pharmaceuticals, tin-
ate and galvanized iron sheet went
o operation. Two automobile as-
mbly plants are being built and a paper plant will start producing soon. An asbestos pipe mill is being installed in an existing asbestos roofing plant. Factories to manufacture nails, sewing machines, bicycle tires and tubes, detergents and toothpaste are being built. The Board has recently approved the establishment of plants to make light bulbs, car batteries, and earthenware.

The Six-Year Development Plan (1961-1967) announced last fall calls for expenditures equivalent to Can.$1,000 million, to be financed two-thirds from government revenues and one-third (it is hoped) by foreign aid. It is designed to increase gross national product by 5 per cent a year instead of by 4 per cent, the present rate. Although the Plan mainly emphasizes greater agricultural production, it will also boost the processing of local raw materials and the extension and modernization of communication systems. ●

Communist China
Hong Kong
South
Vietnam
Cambodia

Hong Kong

Canadian sales to the Colony doubled last year, as rapid rise in manufacturing increased demand for raw materials. Enterprising exporters are also selling Canadian-made consumer goods in a market that offers rewards to those who cultivate it intensively.

C. M. FORSYTH-SMITH, *Trade Commissioner, Hong Kong.*

THE year 1960 brought an unprecedented boom to Hong Kong and virtually all sectors of the economy registered substantial gains. On the fiscal side, government revenues increased by some 25 per cent over the previous year and the Financial Secretary's estimated deficit of H.K.-$267 million turned into a small surplus. Government expenditures also rose by about 30 per cent, mainly because of increased activity in public works, principally new water-supply schemes, the city hall extension, improvement of the Colony's airport, new hospital and school projects, and greater emphasis on provision of resettlement estates and low-cost housing for the Colony's poor.

The budget announced on March 1 calls for further expansion in government spending to a total of H.K.$1,072 million, compared with H.K.$936 million last year. Because of this higher expenditure, a deficit of H.K.$194 million is envisaged and increases in taxation to raise an additional H.K.$35 million have been announced. Despite these, over-all taxation in Hong Kong remains moderate by world standards; in fact, this is an important contributing factor in the continued economic expansion because it encourages the inflow of large amounts of investment capital.

Factors in Prosperity

Financial indicators of the Colony's 1960 boom were a 34 per cent increase in cheques cleared through banks, a 19 per cent rise in currency in circulation, and a stock-exchange turnover more than three times as high as in the previous year. Wage levels in industry increased by about 20 per cent during the year, despite a slight fall in the retail price index. Banking business flourished: about

—H.K. Govt. Information Service.

These Hong Kong workers are smoothing master models of a doll's head and of a dog. The rapid build-up of the plasticware industry in the Colony has created a market for imported plastic raw materials; they ranked high among Canada's exports to Hong Kong last year.

ten new banks opened for business and many others established new branches in various parts of the Colony. Capital continued to flow in from various parts of South East Asia for investment in real estate, the stock market and local industries, and capital inflow from Japan and the United States increased to a marked degree.

Agricultural and fisheries production also shared in the greater prosperity, despite a severe typhoon that destroyed many crops and took its toll of the fishing fleet. Vegetable, rice and livestock production expanded and the Colony's increasingly mechanized fishing fleet brought in bigger catches.

Industrial Exports Increased

It was, however, the industrial sector that made the most remarkable gains. Exports of Hong Kong manufactured goods during the first eight months of 1960 increased by some 26 per cent over the previous year and accounted for close to 80 per cent of total exports. The textile industry provided some 55 per cent of the Colony's exports: sales of garments went up by 53 per cent and of other textiles by about 27 per cent. Other industries showed marked progress, although many suffered from a shortage of skilled and at times unskilled labour, which partly explains the sharp rise in wages. Industries established for the first time in the Colony included transistor radio assembly, the manufacture of stainless steel cutlery and other tableware, and the production of cultured pearls.

Construction Boom Continues

The construction boom evident over the past few years continued in 1960 and activity in the building trades was stimulated further by the increased tempo of public works projects, large-scale hotel construction, and a high rate of port activity which resulted in a shortage of warehouses and consequent expansion in the construction and modernization of these facilities. Activity in the Colony's dockyards was also satisfactory, mainly in the repair sector, although some new tonnage was launched. The aircraft overhaul and repair facilities are becoming more widely known and aircraft (mainly from Asian countries) are using them more and more. Greater interest is being shown from farther afield, however, and during 1960 a DC-4 was flown from Britain to be repaired in the Colony.

The tourist industry has been growing rapidly in recent years and again achieved records in 1960, both in the number of visitors and estimated revenue. The hotel shortage that has hampered this industry is fast being overcome with the building of several large luxury-type hotels and numerous smaller ones. Indications are that there will be further progress in attracting larger numbers of tourists during 1961.

Record Trade Achieved

The Colony's trade during 1960 achieved a record, with an increase in total trade of about H.K.$1,574 million over 1959. Imports rose by 18.5 per cent—from H.K.$4,949 million in 1959 to H.K.$5,864 million in 1960. Exports rose by 25.6 per cent—to H.K.$2,867 million compared with H.K.$2,282 million in 1959. Re-exports increased by 7.5 per cent, reaching a total of H.K.$995 million. Principal suppliers to the Colony were Communist China (H.K.$1,186 million), Japan (H.K.$942 million), the United States (H.K.$720 million), and the United Kingdom (H.K.$664 million). Hong Kong's main markets were the United States (H.K.$745 million), the United Kingdom (H.K.$585 million), Malaya (H.K.-$243 million), and West Germany (H.K.$107 million).

Trade with Canada

Trade between Canada and Hong Kong increased even more than Hong Kong's over-all trade. Canadian sales to Hong Kong reached an all-time record of H.K.$119 million, compared with H.K.$65 million in 1959; Canadian purchases from the Colony, including re-exports from Hong Kong, totalled H.K.$89 million compared with H.K.$74 million in 1959. The following table indicates progress in this trade over the past five years.

	Canadian Imports from Hong Kong	Canadian Exports to Hong Kong
	(in millions of Can.$)	
1956	5.7	7.0
1957	7.2	7.6
1958	8.8	6.1
1959	12.6	11.2
1960	14.3	22.5
	(11 months)	

Principal exports from Canada were metals, plastic raw materials, wheat and flour, synthetic fabrics and chemicals; Hong Kong's exports to Canada continued to be heavily concentrated on a narrow range of textiles (principally garments) although the variety of her sales to us has increased in recent years and includes, among others, such products as plastic flowers, rubber footwear, flashlights and furniture.

The growth in exports of Canadian goods can be attributed in large measure to the industrial expansion in the Colony which resulted in greater demand for many of the metals, chemicals and other raw materials that Canada has to offer. It is also due in some measure to more interest by Canadian businessmen in Hong Kong as a market and greater efforts to study the Colony's needs. Each year larger numbers of business visitors from Canada call at the Trade Commissioner's office and these visits have an important bearing on trade development. Although the bulk of our exports consist of raw materials, it is interesting to note that Hong Kong is one of Canada's most diversified markets. Among consumer goods sold by enterprising Canadian exporters here over the past twelve months are canned foods, textiles in the form of fabrics and knitted garments, confectionery, household goods such as blankets, pots and pans, and toys.

Cultivating This Market

Canadian exports to Hong Kong in 1961 cannot be expected to show the same percentage rise as in 1960, but there seems no reason why they cannot be increased in absolute terms as well as in terms of percentage of the Hong Kong market. Canadian exporters exhibited keen interest in Hong Kong as a market at the Export Trade Promotion Conference held in Ottawa in December. Of some 250 firms interviewed at the Conference by the two Trade Commissioners from Hong Kong, it was estimated that almost 80 companies not currently exporting to this market could do so, provided they were prepared to expend the necessary effort. Some companies were quick to follow up after the Conference and about ten of them have already received sample orders; others are still exploring possibilities and deciding on the best choice of agents. Many of these are expected to contribute to Canada's continued increase in exports to Hong Kong.

The response from some of the company executives interviewed has, however, been disappointing. Some have failed to send follow-up literature which would assist the Trade Commissioner in interesting local importers; others attempt to correspond by seamail, with resulting delays of up to two months, and still others do not reply to correspondence. Hong Kong is a free port and consequently the world's traders are knocking at its door; this makes it one of the most competitive markets in the world. Attempts to enter the market must therefore be wholehearted and aggressive.

The outlook for the Hong Kong economy during 1961 is uncertain. Soft spots have appeared in recent weeks in some sectors, notably the garment and plastic flowers industries, because of a falling-off in orders received from abroad and threatened restrictions on imports in some markets. Despite this, however, there is considerable optimism and prospects are that business activity will continue at close to the 1960 level.

Lead and Zinc Study Group Meets

Canada was represented at the third session of the International Lead and Zinc Study Group which met in Mexico City in March to consider the problem of an over-supply of lead and zinc. Canada had previously announced her intention of curtailing production of lead in the forthcoming year and at the meeting a number of other countries agreed to do likewise. The Group expressed the expectation that countries other than those announcing cutbacks would take no action that might nullify the effect of these curtailments. It was estimated that world consumption would be approximately 3 per cent higher in 1961 than in 1960, while production after the curtailments will be about 2 per cent lower than in 1960.

There are no serious surpluses of zinc except in the United States and with an expected increase in demand of approximately 4 per cent in 1961, there should be no problem.

The group was informed of the latest results of research into ways of increasing the uses of both lead and zinc. A special Study Group was set up to examine methods of coping with possible future problems of over-supply, including possible inter-governmental commodity agreements.

Communist China

Two bad harvests in succession have meant diversion of foreign exchange to buying food, including wheat from Canada, at the expense of imports of machinery and equipment. Demand for bulk raw or semi-processed materials should continue good, but competition will increase.

C. J. SMALL, *Trade Commissioner, Hong Kong.*

COMMUNIST CHINA'S foreign trade pattern altered radically towards the end of 1960 and a new trend is developing that will probably persist over the next two years or more. The major departure from past practice so far is the beginning of substantial grain imports; formerly the primary emphasis was on capital goods, industrial equipment and raw materials. This development is the result of adverse conditions for agricultural production and other internal factors which combined in 1959 and 1960 to reduce harvests below total needs and made important policy changes necessary. These were announced at the conclusion of the session of the Chinese Communist Party's Central Committee in January and entail concentration in 1961 on agriculture, light industry, secondary production of foodstuffs and consumer goods, a cutback in capital construction, and readjustment of the rate of industrial development.

Domestic Situation

Serious losses in agricultural production for two years running have had important repercussions on both domestic economic and foreign trade patterns. Internally, shortages of food and light industrial raw materials have appeared and steps have been taken to expand home production of these and to import wheat, flour and barley. In practical financial terms, the purchase of substantial quantities of grain (more than two million tons to date from Canada and Australia) has put pressure on Communist Chinese holdings of foreign exchange. In trading terms, this has meant a diversion of exchange allocations from industry to food and agriculture. For this reason, the officially announced cut in capital construction and rate of industrial development will mean a substantial reduction in imports of machinery, plant and equipment, and a levelling off in imports o raw materials. At the same time agricultural exports, upon which Communist China depends for a major share of its foreign exchange earnings, will decline in 1961. This will compound the adverse effects of the fall in agricultural production and lengthen the period of recovery needed to overcome present difficulties.

Industrial production, on the other hand, fared better last year and official reports state that 1960 targets for steel (18.4 million metric tons), pig iron (24.5 million tons), coal (425 million tons), machine tools (90,000 units), tractors (9,000 units), electricity (55,550-58,000 million kwh.), and petroleum were reached or surpassed. In addition, official reports have said that iron ore, copper, lead, zinc, non-ferrous metals generally, and crude oil output reached or greatly

Canada's Exports to Communist China . . .

- **Reached a record $8.7 million in 1960, as against $1.7 million in 1959 and $7.8 million in 1958.**
- **May rise to $80 million this year, with about $60 million worth of grain already sold.**
- **Generally consist of a narrow range of bulk commodities with two or three large sales making up most of the business ($3 million worth of aluminum, $3 million worth of plastics and synthetic rubber in 1960).**
- **Include certain products shipped through third countries such as Hong Kong.**
- **May soon have to meet competition from Japan, which seems to be regaining a foothold in this market.**
- **May be affected by pressure on Communist Chinese exchange reserves in 1961, but major items in trade should hold their place.**

exceeded the final targets established for the Second Five Year Plan which ends in 1962. Chemical fertilizer production has also gone up substantially. In contrast, the same official reports have simply stated that the agricultural production plan was not fulfilled in 1960.

Economic Policy Reshaped

Traditionally, economic activity in Communist China has increased in the year immediately following bumper crops and has declined after bad harvests. The past decade has been no exception to this general rule. Consequently, it is not surprising that Communist Chinese leaders, after two successive lean years, are now speaking of two or three years of consolidation. Thus, the chairman of the National Economic Commission in February spoke of reducing the scope of industrial capital construction to concentrate on the completion of essential projects. To this end, he said, the main task in industrial capital construction in the next two or three years "proceeding from the productive capacity of *existing* equipment", is to fill up the gaps and achieve a proper balance, manufacture complete sets of equipment, and raise capabilities for multipurpose production. He made it clear that forces should be concentrated upon strengthening the agricultural sector. At the same time, in the heavy industrial sector, emphasis should be placed upon the extraction industries so that the output of coal, petroleum, iron ore, nonferrous metals, chemical raw materials, non-metallic minerals and timber could be raised to meet the developing needs of the processing industries. Communications and transport are also to be strengthened.

Effect on Foreign Trade

What is the significance of all this to Communist China's trading partners? In the first place, it has already meant a switch in emphasis from industrial to agricultural imports. Second, it means industrial retrenchment or, in practical terms, a drastic cutback in imports of machinery and equipment from Western industrial suppliers such as the United Kingdom, West Germany, France, Switzerland, Sweden, and other West European nations. On the other hand, exporters of bulk raw or semi-processed materials should fare better, because it is the announced intention to maintain production with existing capacity and equipment. As Canadian exports to Communist China in recent years have been largely limited to this field, we should not be affected by these changes to the same degree as exporters of machinery and equipment will be.

Trade with Canada

With Canadian sales of grain already over one million tons, worth approximately $60 million, 1961 is assured of being the second record year in succession in our trade relations with Communist China. Canadian exports to Communist China in 1960 climbed to $8.7 million in direct sales compared with the previous record in 1958 of $7.8 million (only $1.7 million in 1959 and $1.4 million in 1957). In addition, shipments via third countries raised the 1960 total to approximately $20 million compared with an estimated $12 million in 1959 and $11 million in 1958. The 1961 total, including both direct and indirect shipments, could approach $80 million—or more if additional grain sales are made. Further, in the light of continuing official Communist Chinese reports on drought there and the view of the chairman of the National Economic Commission that a two to three-year period will be required to overcome current difficulties, Communist China could continue to be one of our large overseas markets in the years ahead.

Canadian export trade with Communist China in the past decade has been characterized for the most part by shipments of a narrow range of bulk commodities, with two or three outstanding sales comprising most of the business. Thus, in 1957 fertilizer (ammonium sulphate) and pulp and paper were the main items. In 1958, wheat was the outstanding commodity, with nickel, scientific equipment and magnesium making their first appearance. In 1959, the range of significant sales widened slightly to include, in addition to nickel, scientific equipment and magnesium, several new products such as copper rods, drugs and chemicals, and plastic raw materials. In 1960, the range of products shipped in useful quantities was again extended slightly by the addition of major shipments of aluminum, plastics and synthetic rubber, steel (special steels), pulp, selenium and zinc, in addition to larger sales of nickel, magnesium and scientific equipment. Not all of these exports to Communist China are recorded in the accompanying table because they were shipped via third countries—for example, the pulp and a substantial proportion of the aluminum and steel.

Future Prospects

As the Communist Chinese state trading corporations* have become increasingly aware of Canadian capabilities, quality and competitiveness, especially in the field of bulk raw and semi-processed materials, both the volume and variety of Canadian shipments have increased. There is no reason why this process should not continue in the long run, to the mutual benefit of both countries. In the short run, Communist China's domestic difficulties may result in a temporary falling-off in purchases in some fields but in the main should not seriously affect the major items bought from Canada in the past two years. Nevertheless, Canadian suppliers will have to maintain their competitiveness in terms of quality, price and delivery dates in order to

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*For an up-to-date list of the state trading corporations in Communist China (recently reorganized and reduced to twelve) and the products they handle, write to the Editor, *Foreign Trade*.

DIRECT CANADIAN EXPORTS TO COMMUNIST CHINA

	1957	1958	1959	1960
		(in Canadian dollars)		
Essential oils				1,862
Wheat		6,991,183		
Wheat flour		20,160		
Wool, rags, waste		2,500	7,679	
Wood pulp	128,237			
Wrapping paper, kraft	296,795			
Synthetic fibres, thread, yarn				15,420
Aluminum, primary				3,016,214
Nickel		562,077	166,506	720,864
Magnesium		65,909	63,701	198,761
Zinc spelter				141,412
Selenium and salts				196,592
Copper rods, strips, sheets			613,402	
Plate steel				895,796
Pipe and tubing, iron				81,130
Synthetic resins			12,622	
Polystyrene			83,704	
Plastics, synthetic rubber, n.o.p.				3,057,997
Scientific equipment (including medical)		147,162	221,760	307,270
Electrical and radio apparatus		2,805	15,827	
Ammonium sulphate	868,147			
Medicinal preparations, drugs, chemicals, acids	90,121	7,000	533,907	101,740
Piano parts		5,675		
All other exports	8,363	4,374	925	2,305
Total	1,391,663	7,808,965	1,720,033	8,737,363

Source: Dominion Bureau of Statistics.

retain their position in this market, where more suppliers will be angling for a smaller share of foreign exchange than has been the case recently. In other fields that Canadians have not entered in the last year or two, the best opportunities for sales in 1961 appear to be fertilizers, insecticides, agricultural machinery and equipment (especially tractors and possibly irrigation pumps or other drainage and irrigation equipment), agricultural breeding stock, flour, industrial chemicals, steels (black plate, tinplate, tubes), copper (unwrought, refined; rods), synthetic fibres and paper products (kraft, liners, etc.).

In assessing Canadian export prospects in the Communist China market in 1961 and for the following year or two, a number of factors should be borne in mind. Among these are:

- One, the Soviet bloc will continue to account for the lion's share of the business—something in the neighbourhood of 75 per cent of the total.

- Two, Communist China is gradually expanding the scope and scale of its trade agreements with Afro-Asian and Latin American countries and this reduces the field for Western traders still further. Pertinent examples of this trend are the exchange of its rice and other commodities for 5,000 tons of copper and one million tons of sugar from Cuba, and an anticipated 230,000 tons of rice (up from 205,000 tons in 1960) for 28,000 tons of natural rubber (17,000 tons in 1960) from Ceylon.

- Three, Japan, after being excluded from the Communist Chinese market for nearly three years, appears to be on the verge of regaining a foothold, especially for fertilizers, steel products, machinery and equipment. When these three factors are combined with the two mentioned earlier—that is, the redirection of China's import purchases and the reduced availability of foreign exchange for essential purchases—it becomes very clear that competition for what remains of the Communist China market will be keener than ever in 1961.

Imports from Communist China

Communist Chinese exports to Canada, after dropping back in 1959, advanced again in 1960 and final figures, when available, should indicate that they have regained the 1957-58 level by topping the $5 million mark. The principal commodities shipped last year were again walnuts and peanuts (nearly $2 million to the end of October), fur skins (nearly $1 million), cotton manufactures such as pillowcases, tablecloths, overalls, shirts and towels ($½ million) and rice ($110,000). Small shipments of linen (tablecloths, towels, sheets), carpets, bristles, hoods, canvas shoes, paint brushes, turpentine, antimony regulus, sodium glutamate and tea were also made, plus a number of other articles in extremely small quantities. To recoup the extraordinary outlays required for grain imports this year and subsequently, Communist China will be anxious to build up its exports to Canada and other hard currency areas. Nevertheless, progress will be slow because its best sellers abroad include a number of commodities that have been affected by production difficulties.

Index to *Foreign Trade*

The index to Volume 114 of *Foreign Trade*, covering the issues from July 2, 1960, to December 31, 1960, has now been printed. Readers who wish to have copies should write to the Editor.

Cambodia

With purchases under ICA allocations now tied to U.S. suppliers and increase in bilateral trade agreements, opportunities for Canadian trade are shrinking, though development is progressing.

D. J. McEACHRAN, *Assistant Trade Commissioner, Hong Kong.*

FOLLOWING the death of King Suramarit in 1960, Prince Sihanouk as Chief of State guided the development of this small country along the previously determined path of economic and political neutrality. Economically, last year was a good one for Cambodia, despite the fact that it continues to depend almost entirely on earnings from a few agricultural crops and on foreign aid. Both exports and imports increased and industrial development made modest progress. Nevertheless, for a variety of reasons, prospects for Canadian participation in this market remain extremely limited.

Trade Pattern

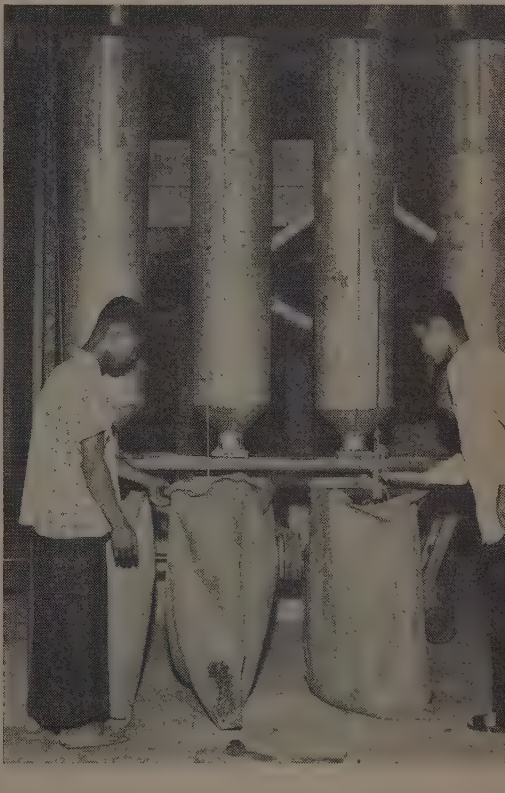
The important export commodities continue to be rice, rubber, maize and (to a lesser extent) pepper, cattle and wood. Exports for the first half of 1960 totalled 973 million riels*. This slight improvement over the 932 million for the same period of 1959 was largely the result of better rubber prices and larger maize shipments. The major markets were France, the United States, Singapore, Hong Kong and Japan (in that order). Imports in the first six months of last year increased to 1,614 million riels from 1,050 million for the first half of 1959. Subsequent figures when released are expected to show that this trend toward increased imports continued during the rest of the year. Cambodia's principal suppliers were France 28 per cent, Japan 14 per cent, Hong Kong 13 per cent, United States 7 per cent, West Germany, Singapore and Communist China, each 6 per cent. France is expected to remain the principal supplier as long as Cambodia continues to accept non-convertible francs in payment for her exports. There are the added factors of a common language and a traditional consumer preference. Communist China and other Communist-bloc countries, however, will probably continue expanding their share of the market at the present rapid pace.

Bilateral Trade Developed

Cambodia continues to make bilateral trade agreements with various trading partners, particularly Communist countries. She now has agreements with Czechoslovakia, the U.S.S.R., Poland, Communist China, East Germany, the United Arab Republic, and West Germany. In addition, negotiations have been conducted with Denmark, North Vietnam and Japan. Most of these agreements place trade between the two signatories on a bilateral basis, with the result that a substantial share of Cambodia's export earnings is not available for world-wide procurement. Under the terms of most of these agreements, Cambodia extends the minimum rate of tariff, which also applies to members of GATT, with the exception of Japan. All other countries pay the general rate, which is three times the minimum.

Aid Props Budget

Despite increased exports in the first half of last year, Cambodia's rapidly increasing imports resulted in a six-month trade deficit of 640 million riels, twice the imbalance incurred during the calendar year 1959. However, the flow of foreign aid funds more than compensates for these merchandise deficits and assists materially in balancing the budget. In 1959, for example, only 70 per cent of a total public expenditure of 4,300 million riels was covered by domestic receipts. Budgetary expenditures were made as follows: 44 per cent on administration, 26 per cent on defence, 20 per cent on capital expenditures,



Rice continues to be one of Cambodia's leading exports; here it is being cleaned and bagged in a local plant before being shipped to waiting customers abroad.

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*Official rate, 35 riels=U.S.$1.

and 9 per cent on external debt repayments.

Aid funds received from many sources continue to bulk large in the support of the economy. Total U.S. aid during 1960 approximated U.S.$25.5 million, including $18.6 million under U.S. Commercial Import Procurement. This sector is estimated at U.S.$15 million for 1961. Communist Chinese aid under the existing bilateral agreement calls for expenditure of an amount equivalent to U.S.$28 million during the years 1956-62. French aid for the same period will total U.S.$23.5 million. Soviet aid, running at about U.S.$4 million a year, is expected to increase; the Japanese entered the picture for the first time in 1960 with an initial U.S.$4 million. Colombo Plan aid averages U.S.$1 million a year.

Exchange Reserves Increasing

Cambodia's reserves of foreign currency and specie continue to increase, despite smaller U.S. commercial aid allocations. Current reserves are estimated at 3,700 million riels and the note issue stands at 2,700 riels—giving this small country what appears to be one of the most strongly backed currencies in Southeast Asia. Although no official announcement has been made, the riel is expected to be revalued from its present artificially high rate, possibly by the introduction of a free exchange market. Business generally, and exports particularly, would in all probability improve as a result.

Development Plans

The Five-Year Development Plan which came into effect in January 1960 is aimed at lessening the country's dependence on foreign aid through increased investment of Cambodian funds. The proposed expenditures are set out in the accompanying table.

These expenditures are earmarked for such projects as enlarging production capacities, for transportation and communications, education and health, and administrative services. As much as 40 per cent of the total will go to stepping up production, with the emphasis on agricultural output. As the plan progresses, the previous net balance-of-payment surpluses should not recur and a higher level of imports is anticipated.

APPROPRIATIONS UNDER FIVE-YEAR DEVELOPMENT PLAN

	Foreign Aid Funds	Cambodian Funds
	(U.S.$'000,000)*	
1960	18.2	23.8
1961	15.4	23.8
1962	14.0	30.8
1963	12.6	35.0
1964	9.8	40.6
Total	70.0	154.0

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*Converted at official rate, 35 riels=U.S.$1.

Progress in industrial development has been due largely to project-aid programs; though modest, this development has had considerable importance in the growth of the country. First phase of the development of the port of Sihanoukville has been completed at a cost of about 4,000 million old French francs obtained through French aid. Present wharfing facilities offer berths for four 10,000-ton ships; a second stage of expansion under the Five-Year Plan will provide harbour facilities to handle some 150,000 tons of freight a year. At present, Cambodia's exports are shipped largely through Saigon, but when Phnom Penh and the new port are linked by rail, as the plan is, Cambodia hopes to handle more incoming and outgoing shipments at her own port.

A paper mill, a plywood plant and a cotton mill, all financed by Chinese aid funds, were completed during the year. Expansion of the Phnom Penh airport, development of a water supply system for the capital, construction of a cement plant, development of a television network, and expansion of road and irrigation facilities are under wa To help build local industry and t cut expenditure on non-essential several commodities have bee added to the list of prohibited imports. They include matches, cigarettes, salt, household soap and plywood.

Canadian Trade Prospects

The events of 1960 have virtuall closed the Cambodian market t Canadian exports. Our previou small sales were usually the resu of ICA allocations; these have no been tied almost exclusively to U.S suppliers. Furthermore, because o Cambodia's expanded trade agreements, more trade is now on bilateral basis and not open t Canadian participation. Althoug there are ways for Cambodian importers to obtain hard currencie to finance imports on a worldwid basis, these funds must be purchased on the open market at mor than double the cost of those allocated under the Government's annual foreign trade plan. Extremel few goods are therefore imported i this manner because official government allocations have not been full used for all commodities.

Canadian exporters also encounter extreme difficulty in locatin suitable agents or representatives The well-established French companies, probably still the best contacts, nevertheless tend to conservativism in the development of ne lines. There are no U.S. or Britis houses and reliable Cambodian o Chinese firms are rather few and no particularly competent. Invitation to bid on government tenders, i not bilaterally arranged, are neithe published nor open. As a result Canadian companies cannot expec to be successful in obtaining suc business.

Therefore, despite Cambodia' large currency reserves, continue inflow of aid funds, internal development programs and reasonabl economic progress, Canada's trad with this country is expected t remain negligible. ●

South Vietnam

irective limiting purchases under ICA Commercial Import Pro-ram to U.S. suppliers will hamper Canadian sales, because some 5 per cent of Vietnamese imports are financed by U.S. aid.

. J. McEACHRAN, *Assistant Trade Commissioner, Hong Kong.*

IANY elements in the economic icture in South Vietnam improved uring the past year and some pro-ess was made towards economic iability. Vietnam still depends eavily on foreign aid to finance her nport program, development proj-ts and government expenditures. owever, the growth and diversity industry and increased agricul-ral output are gradually lessening is dependence. Total trade, both nport and export, increased. Ex-prts rose at a rate roughly three nes that of imports, resulting in small decrease in the now tradi-onal trade deficit. Despite recent ductions in U.S. aid, the continued flow of foreign funds more than mpensated for the merchandise ficit and again resulted in a net crease in foreign exchange re-rves. Nevertheless, the internal onomy is characterized by lack business confidence. The outlook most firms is extremely short-m and there is a notable hesita-n about increasing investment or ploring new lines. Private pur-asing power remains sluggish and mmercial turnover is correspond-gly low. Although the security oblem posed by greater guerilla tivity did not directly limit eco-mic progress, it is believed that less a solution is found, the effects l become more pronounced in future.

e Trade Pattern

etnamese imports during the st eight months of 1960 rose some per cent over the same period 1959 to 5,500 million piastres, d revealed a continuing shift from n-essential consumer goods towards machinery, equipment and other capital goods. Imported commodities in order of importance were: metals and metal products, foodstuffs, textiles, minerals, pharmaceuticals and paper products. The main suppliers during the eight months were the United States 27 per cent, France 23 per cent, Japan 18 per cent, Indonesia 8 per cent and West Germany 6 per cent. These percentages are expected to change considerably during 1961 as the effects of the recently announced "Buy America" policy become apparent. It is estimated that 75 per cent of Vietnam's imports are financed by U.S. aid funds and will be directly affected by this policy.

During 1960, several commodities—notably textiles, sugar, petroleum products, tires, paper and glassware—were transferred from the list of commodities financed under the ICA procurement program to the Vietnamese government import plan. As imports financed with Vietnam's reserves are, in effect, subject to exchange rates 40 per cent higher than those bought with ICA funds, this action immediately brought substantial increases in the domestic prices of these commodities. It should be noted that many of the transferred items are now being produced in Vietnam and therefore the increased cost of imports gives a considerable measure of protection to domestic industries.

Rice and Rubber Earnings

Vietnam's exports of rice and rubber accounted, as usual, for more than 90 per cent of total export earnings. By October 1960, sales of rice reached 340,000 tons compared with 250,000 for the calendar year 1959. Export demand became so buoyant during the latter part of the year that domestic prices rose substantially and a ban on future exports was imposed. None the less, it is estimated that shipments during 1960 reached a record 400,000 tons. Sales were made largely to Indonesia, France, Hong Kong, Malaya and Ceylon. Rubber production remained steady at the 70,000-ton mark, nearly all of which was exported to traditional markets—including France, West Germany, Hong Kong, the United States and Singapore. A weakening of prices towards the end of the year, however, resulted in a decline in earnings. Forecasts for the 1960/61 year are that the rice and rubber crops will be of similar proportions and will earn about the same amounts of foreign exchange as in the past year.

Finance and Foreign Aid

Large amounts of foreign aid continue to be vital, with U.S. aid funds financing some 75 per cent of Vietnam's imports and 50 per cent of government expenditures. Despite larger reserves of hard currencies—now amounting to roughly U.S.$250 million, or the equivalent of more than a year's imports—the Government has not eased import licensing restrictions. United States economic aid for the fiscal year ended June 1960 totalled U.S.$160 million, comprising U.S.$130 million for commercial aid and U.S.$30 million for specific projects, mostly highway improvement. This compares with U.S.$180 million in the previous year and an estimated U.S.$144 million for fiscal 1960/61. In addition to these aid appropriations, Vietnam received during 1960 loans from the Development Loan Fund of U.S.$40 million for the rehabilitation of Saigon's water-supply system, construction of a thermal generating station, and purchase of new railway equipment. The year 1960 also witnessed an agreement between France and Vietnam under

Imports Financed by Vietnam's Exchange Reserves

The following commodities not covered by ICA allocations may now be imported, payment for them to be made from the country's foreign exchange reserves. Their import must first be approved by the licensing authorities.

cereal products
vegetable oils
glucose
butter, cheese
frozen fish
yeasts
raw jute
industrial oils
arabic gum
cellophane
dyestuffs
linseed oils
paper
porcelainware
textiles
office machinery
5 and 10 cent store novelty items
photographic equipment
watches and parts
bicycles and scooters
petroleum products
malt and hops for brewing
raw sugar
preserved meats
powdered milk
dry and preserved vegetables and fruits
liquor
raw silk
non-edible animal and vegetable products
Chinese medicines
paints
detergent powders
plywood
glass and glassware
cement products
household electrical apparatus
passenger automobiles
sporting goods
cinematographic equipment
rubber goods

which France has granted loans totalling 70 million new francs and export credit guarantees up to 110 million new francs, to be applied against purchases of capital goods from France.

Under the Vietnamese budget for 1959/60, expenditures were set at 15 billion piastres, 8 per cent above the 1958/59 figure. Some 67 per cent went to finance government outlays (largely defence) and 24 per cent to development expenditures. The budget plan for 1960/61 provides for somewhat smaller outlays and larger revenues, through higher taxes on certain consumer luxuries. Vietnamese reserves of gold and foreign exchange increased by some U.S.$25 million to a point where the foreign exchange backing of the note issue, which increased 14 per cent during the past year, now stands at 70 per cent.

Industrial Development

The principal limitation on the industrial development of Vietnam continues to be a shortage of local private and foreign investment capital, with the result that the Government participates directly in many industrial projects and others enjoy either direct or indirect support. Nevertheless, industrial development, after a good start in 1959, continued during 1960; major new projects now in production include three textile mills, a glass bottle factory, a jute mill, a pharmaceutical factory, and an automobile battery plant. Construction is under way on
two paper mills, a gunny bag fa
tory, a compressed chipboard pla
and a bicycle tire and tube oper
tion. Current plans envisage seve
new projects, including: a U.S.$
million cement plant and a ur
and calcium carbide chemical pla
to be built with French aid; expa
sion of railway rollingstock a
construction of a new electric pla
under DLF loans; the developme
of a rural telephone system und
U.S. project aid, and the expansi
of sugar-refining facilities under N
tionalist Chinese investment a
technical assistance.

Agricultural reform (notab
through the extension of gover
ment-sponsored agricultural dev
opment centres to resettle a
co-ordinate the efforts of lo
farmers) has been reasonably su
cessful. The area under rice culti
tion increased 5 per cent and, w
increased yields, produced a reco
crop. Considerable progress w
also made in the cultivation a
use of several other crops, includi
kenaf, jute, ramie, tea and cass
With the continuing replanting a
expansion of rubber plantatio
somewhat larger production can
expected, although not for so
three to four years.

Trade with Canada

Canada's exports to South Vi
nam totalled $540,000 in 19
compared with $385,000 in 19
These figures, however, do
represent Canada's total sales
Vietnam because substantial sh
ments were made via third co
tries, particularly Hong Kong a
the United States.

PRINCIPAL CANADIAN EXPORT
TO VIETNAM, 1960

	(Car
Aid (flour, milk powder, butter, etc.)	304.
Files and rasps	97.
Aluminum ingot and manufactures	30.
Synthetic resins and manufactures	27
Rolled oats	24
Ploughs and parts	20
Asbestos linings	13
Others	25
Total	540

At first glance, it would appear hat as the United States has be- ome Vietnam's main supplier, anada should also be able to ncrease her participation in the narket. This assumption, however, invalidated by the fact that U.S. ales have risen largely as a result f several unnatural factors. These nclude the previous indirect but ow mandatory preference afforded .S. suppliers on U.S.-financed ems, sales of surplus agricultural ommodities, and the supply of apital equipment under Project id and Development Loan Funds. he operations of U.S. companies Vietnam, naturally concentrating n the promotion of U.S. products, ave also been a significant factor. Over the past several years, Canada's sales to this market have been almost entirely financed by U.S. funds under the ICA Commercial Import Program, so that our trade will suffer because of the recent directive restricting purchases made with these funds to U.S. suppliers.

The Outlook

Although Vietnam's reserves of foreign exchange are being called upon to finance an increasing number of items not covered by ICA allocations (see the accompanying list), these commodities are generally either of a type being produced domestically or are luxury products by local standards that Canada will have difficulty in supplying at competitive prices. Goods imported with Vietnam's reserves are subject to the prior approval of the State licensing authorities. Under this extremely complicated system, importers are required to provide pro forma invoices which are subject to price comparisons on a world-wide basis. As quality is usually not an important factor, only the lowest quotations are accepted. Finally, goods so imported are subject to several taxes and imposts that effectively increase prices several hundred per cent, with the result that trade in such goods is extremely small. All things considered, it will be difficult for Canadian exporters to maintain their previous sales in this market.

Import and Exchange Regulations in the Far East

he following is a summary of the import and foreign exchange ntrol regulations currently in effect in Far Eastern countries.

ternational Trade Relations Branch

RITISH BORNEO

Effective July 1, 1959, North rneo issued an Open General ence for the import of goods m the dollar area, with some eptions for which specific li- aces are needed. The products naining under restriction include tor vehicles and spares, air- ditioning equipment, non-do- stic refrigeration equipment, and tain other industrial machinery l equipment.

CAMBODIA

Licences are required for all goods imported. These licences are valid for six months and goods must be shipped before the expiry date. Commodities imported into Cambodia are grouped under several categories. To import a specific product, a prospective importer must be registered under that group. The import of certain luxury goods or goods without economic interest is forbidden.

Imports at the official rate of exchange are governed by the annual plan covering imports. Import forecasts are made on a commodity basis and allocations issued in the form of import licences. Most allocations of official exchange specify the countries from which the goods may be purchased. Exporters of Cambodian products may retain or sell to other importers a percentage of their foreign currency earnings. The remainder must be sold to the bank at the official rate of exchange. The retained funds may be used to finance luxury imports not permitted under the Government's allocation system. End-users and industrial undertakings may be granted allocations above the budgeted amount to cover the cost of essential goods.

COMMUNIST CHINA

Licences are required for goods imported into Communist China. The Government has established twelve national export and import trading corporations, each specializing in particular types of goods and trading procedures and acting on behalf of end-users located throughout the country. Import licences are issued automatically for all orders placed by the corporations.

Exporters who desire to ship to Communist China should write directly and regularly to the head offices and branches of the pertinent Chinese National Import and Export Corporations in Peking, Tientsin, Tsingtao, Shanghai, Canton and Dairen, or their agent, the China Resources Company in Hong Kong. It is important to send adequate quantities of literature so that the trading corporations can circulate it to end-users. Price quotations should be f.o.b., with freight, insurance and other costs to Chinese port indicated separately.

HONG KONG

Goods may be imported into Hong Kong without import licences with the exception of dutiable, dangerous and undesirable, restricted and strategic goods.

All foreign exchange transactions in currencies other than sterling and currencies linked with sterling are restricted. Official exchange must be purchased from an authorized bank. However, there is an extensive free market for trading in dollars at higher rates and most imports from the dollar area are paid for with dollars bought on that market.

INDONESIA

Imports are under strict control and may be effected only by officially recognized importers. All goods from abroad are placed in two main categories: goods essential to the economy of the country, and other goods that are still needed. Essential goods will be imported at the official or basic rate of exchange, 45 rupiahs per U.S. dollar. For the time being, essential goods are to be subject to a levy known as a "price component" at the following rates: 0 per cent, 25 per cent and 60 per cent, depending upon their essentiality. All other imports are in the second category and are subject to an exchange rate of 200 rupiahs per U.S. dollar. The second category is composed of two groups: those goods produced in sufficient quantity in Indonesia which may not be imported except under special permit from the Minister of Trade, and those commodities considered luxuries, the import of which is prohibited.

When the import licence application is found to be satisfactory, the Import Licensing Bureau issues a foreign exchange permit. The importer then pays into the authorized bank, within 10 to 15 days, a 100 per cent guarantee deposit in local currency, plus any other charges. If all regulations are met, the Bank opens an irrevocable but unconfirmed letter of credit. Payment by the importer can only take place if and when an import exchange licence has been granted.

JAPAN

Most imports are subject to individual import licences issued by one of the designated and authorized foreign exchange banks. Anyone who has obtained an import licence may, in accordance with the terms of the licence, make arrangements covering foreign means of payment. A foreign exchange budget is drawn up for imports each half year (April to September and October to March) based on the estimated receipts from exports and on other current income and reserves. Commercial imports for the most part are admitted under one of the following import procedures:

1. *Automatic Approval System-*
import licences are issued freely
to the over-all budget quota lim
on application to the foreign e
change bank. There is no di
crimination as between countries
origin under this procedure.

2. *Foreign Exchange Fund Alloc*
tion System—importers must obta
foreign exchange allocation certi
cates from the Ministry of Inte
national Trade and Industry befo
applying for an import licence.

3. *Automatic Fund Allocation Sy*
tem—foreign exchange is allocat
without limitation on application
the Ministry of International Tra
and Industry. This system cove
various types of machinery and co
sumer goods.

LAOS

The current regulations have be
in effect since October 9, 195
when a decree announced certa
changes in the foreign exchange a
trade regulations. Under the regul
tions, all formalities required f
financial transfers are suspended;
imports and exports of merchandi
are made free, except those pr
hibited for reasons of public ord
The National Bank is authorized
buy and sell United States doll
without restriction at a stabiliz
rate of 80 kip to the dollar.
commercial banks and financial i
stitutions approved by the Natior
Bank buy and sell freely all forei
currencies. Most imports at prese
are financed under ICA.

PHILIPPINES

There is no import licensing sy
tem as such in the Philippines. Ho
ever, there is a system of exchan
control under which licensing
exchange for imports is in the han
of the Central Bank. Before t
beginning of each quarter, the Mo
etary Board certifies to each auth
ized agent or bank the total amou
of foreign exchange available
importers and producers, based

llocations during the previous
eriod.

All applications for the opening
f letters of credit filed with the
uthorized agent or bank are
hargeable to the importer's quota
llocation and considered as appli-
ations for licences to buy foreign
xchange to pay for imports.
eparate applications must be filed
or each class of imports. A letter
f credit is valid for a maximum
eriod of six months from the date
f issue. All payments for imports,
vith a few exceptions, must be
ffected by letters of credit. No
xchange quotas are allocated for
ertain decontrolled commodities.
ualified importers may apply
hrough the authorized agent or
ank for the approval of the Central
ank to import decontrolled items.
oods from abroad will not be re-
ased by the Bureau of Customs
ithout the presentation of a release
ertificate issued by the Central
ank or any authorized agent or
ank.

INGAPORE AND FEDERATION OF MALAYA

The Governments of Singapore
d the Federation of Malaya an-
ounced that, effective August 1,
959, goods may be imported from
e dollar area under Open General
icence, with the exception of a
nall list of products for which
ecific licences are required.

OUTH KOREA

Foreign exchange transactions
e subject to exchange control
gulations administered by the
inistry of Finance and the Bank
Korea. Certain listed goods may
imported freely without a licence.
ll other goods not included in this
hedule require the approval of
e Ministry of Commerce and
dustry. Imports are divided into
o categories: (1) regular items—
cluding certain consumer goods,
sential raw materials and indus-
al equipment—which for the most part do not require an import licence and may be imported with all foreign exchange deposited in the import accounts; (2) special items, including some 40 less essential commodities, that require import licences in every case and may be imported either with foreign exchange earned from exports or with such foreign exchange as the Government designates. Because these products may be sold more profitably, this category is expected to encourage exports.

Imports made with funds of the International Co-operation Administration must be covered by a deposit of more than 60 per cent with the Bank of Korea and are subject to special regulations. Goods must be imported and cleared through the Customs within six months from the opening date of the import letter of credit, regardless of the expiry date of the credit.

SOUTH VIETNAM

Foreign exchange transactions are subject to government regulations and control. All imports into South Vietnam are subject to licence. Under the import procedure, allocations for essential items are made among some 18 commodity classifications. Only registered importers who have formed groups of a minimum of five may apply for import licences. When a licence is granted, the National Bank reserves the foreign exchange. The time limit within which these licences must be used for opening letters of credit is 15 to 30 days from date of issue. Once the credit is opened, the validity period of the licences ranges between three and four months.

Imports are financed by U.S. aid funds and also with Vietnam's own foreign exchange resources at the official rate of exchange. However, less essential imports are subject to an exchange stabilization tax. Imports must be financed under letters of credit and payment in advance of shipment is not permitted. Goods should be shipped within the delivery period. Goods not covered by a licence that arrive in the country are subject to penalties and must be returned if an import licence is not obtainable.

TAIWAN

All foreign exchange income and disbursements are subject to government control and administered by the Foreign Exchange and Trade Control Commission of the Executive Yuan. The Bank of Taiwan is the only bank authorized to handle foreign exchange transactions. All imports are subject to licence issued by the Bank of Taiwan with the approval of the FETCC. Except in special cases, an import licence is valid for a maximum of six months. Merchandise arriving in the country not covered by an import licence is subject to confiscation.

On July 1, 1960, the exchange system was revised and unified. All exporters and others receive, on surrender of their foreign exchange, negotiable exchange certificates for the full amount of their receipts at the current market rate. The exchange certificates are applicable to all imports and other outward remittances, including government payments formerly made at the official rate.

THAILAND

Imports into Thailand are classified as either essential or non-essential. Imports of essential goods are permitted without an import licence. Non-essential goods—which include some 57 items, most of which are produced locally—may be imported only under licence, provided the local supply is insufficient. Applications for licence may be made to the Ministry of Economic Affairs, the licensing authority. Applications to open letters of credit filed with the Bank of Thailand or authorized agent must be accompanied by pro forma invoices and import licences if required. ●

SHIPPING SERVICES FROM CANADA TO THE FAR EAST

	FROM		
TO:	**Pacific Coast**	**Great Lakes**	**St. Lawrence and Atlantic**
Federation of Malaya	American Mail Line *(Canadian Blue Star Line (1960) Ltd., Vancouver, B.C.)* Java Pacific & Hoegh Lines *(Dingwall Cotts & Co., Vancouver, B.C.)* Klaveness Line *(Balfour Guthrie Ltd., Vancouver, B.C.)* Knutsen Line *(Johnson Walton Steamships Ltd., Vancouver, B.C.)*		Blue Funnel Line *(Cunard Steamship C Ltd., Montreal)* Isthmian Lines *(Amalgamated Exporte Co., Montreal)* Maersk Line *(Robert Reford Co., Montreal)*
Hong Kong	American Mail Line Java Pacific & Hoegh Lines Klaveness Line Knutsen Line Maritime Co. of Philippines *(Furness Withy & Co. Ltd., Vancouver, B.C.)* Nissan Pacific Line *(Kingsley Navigation Co. Ltd., Vancouver, B.C.)* P. & O. Orient Lines *(Union Steamship Co. of New Zealand, Vancouver, B.C.)* States Line *(Dodwell & Co. Ltd., Vancouver, B.C.)* States Marine Lines *(Pacific Marine Freighters Ltd., Vancouver, B.C.)* United Philippine Lines *(Empire Shipping Co. Ltd., Vancouver, B.C.)*	Iino Lines *(Watts Watts Shipping Agencies Ltd., Toronto)* Mitsui Line *(Montreal Shipping Co., Limited, Toronto)*	Iino Lines *(Watts Watts Shippin Agencies Ltd., Montrea* Maersk Line Marchessini Line *(Canada Steamship Lines, Montreal)* Mitsui Line *(Montreal Shipping C Limited, Montreal)* Sabre Line *(Keel Shipping Limite Montreal)*
Indonesia	American Mail Line Klaveness Line	Orient Mid-East Line *(Shipping Limited, Montreal; Montoro Shipping Corporation Limited, Toronto)*	Blue Funnel Line Isthmian Line Maersk Line Orient Mid-East Line

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NOTE: The agent for each shipping line is shown in italics below the name of the line where it first appears.

O:	FROM		
	Pacific Coast	**Great Lakes**	**St. Lawrence and Atlantic**
Japan	American Mail Line "K" Line *(Johnson Walton Steamships, Vancouver, B.C.)* Maritime Co. of Philippines N.Y.K. Line *(B.W. Green & Son Ltd., Vancouver, B.C.)* Nissan Pacific Line O.S.K. Lines *(C. Gardner Johnson Ltd., Vancouver, B.C.)* Pacific Orient Express Line P. & O. Orient Lines Shinnihon Line *(Balfour Guthrie Ltd., Vancouver, B.C.)* States Line States Marine Lines United Philippine Lines Yamashita Line *(North Pacific Shipping Co. Ltd., Vancouver, B.C.)*	Iino Lines Mitsui Line *(Montreal Shipping Co., Limited, Toronto)*	Iino Lines Maersk Line Marchessini Line Mitsui Line *(Montreal Shipping Co., Limited, Montreal)* Sabre Line
epublic of China (Taiwan)	China Merchants Steam Navigation Co. Ltd. *(Kingsley Navigation Co. Ltd., Vancouver, B.C.)* States Line States Marine Lines		Maersk Line
Singapore	American Mail Lines Java Pacific & Hoegh Lines Klaveness Line Knutsen Line Nissan Pacific Line P. & O. Orient Lines	Orient Mid-East Line	Blue Funnel Line Isthmian Lines Maersk Line Marchessini Line Orient Mid-East Line
outh Korea	States Line States Marine Lines		Sabre Line

	FROM		
TO:	Pacific Coast	Great Lakes	St. Lawrence and Atlantic
South Vietnam	American Mail Lines States Line		Isthmian Lines Maersk Line
Thailand	Knutsen Lines States Line		Blue Funnel Line Isthmian Lines Maersk Line
The Philippines	American Mail Line Java Pacific & Hoegh Lines Klaveness Line Knutsen Line Maritime Co. of Philippines Inc. P. &. O. Orient Line Pacific Orient Express Lines States Line United Philippine Lines		Isthmian Lines Maersk Line Marchessini Line

TRADE COMMISSIONERS ON TOU

In Canada

K. G. RAMSAY, who will take up his duties as Commercial Secretary in Lima, Peru, in August, will visit Toronto, April 24-28. Businessmen who wish to see Mr. Ramsay should get in touch with the Canadian Manufacturers Association in Toronto.

In Territory

J. H. BAILEY, Commercial Secretary in Bogota, Colombia, will visit Quito and Guayaquil in Ecuador in April.

W. G. BRETT, Assistant Commercial Secretary in Paris, France, will tour the French Community countries in Africa from April 10-May 12. His itinerary covers Nouakchott, Fort Gouraud and Port Etienne in Mauritania; Dakar in Senegal; Conakry, Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lome, Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niamey, Niger.

H. E. CAMPBELL, Trade Commissioner in Kingston, Jamaica, will visit Nassau, Bahamas, from April 23-29.

C. M. FORSYTH-SMITH and C. J. SMALL, Trade Commissioners in Hong Kong, will visit the following cities in Communist China from the middle of May to the first week in June: Canton (they will attend the Spring Fair), Peking, Tientsin, and Shanghai.

P. A. FREYSENG, Assistant Commercial Secretary in Vien
Austria, will visit Belgrade and Sarajevo in Yugoslavia fr
May 15-20.

T. F. HARRIS, Consul and Trade Commissioner in N
Orleans, will visit Tulsa and Oklahoma City, Oklahoma, Li
Rock, Arkansas, and Shreveport, Louisiana, towards the
of April, and Houston, Texas, during the third week of M

D. A. HILTON, Vice Consul and Assistant Trade Com
sioner in Chicago, will visit the following cities in India
Columbus on April 24, Indianapolis, April 25 and 26,
Fort Wayne, April 27.

T. G. MAJOR, Consul General and Trade Commissioner
Manila, Philippines, will visit Taiwan from April 18-29.

R. K. THOMSON, Commercial Counsellor in Vienna, Aust
will visit Zagreb, Ljubljana and Rijeka in Yugoslavia fr
May 15-20.

*Businessmen who would like these officers to undert
assignments should get in touch with them at their posts
soon as possible. Write to Mr. Bailey at Bogota, Mr. B
at Paris, Mr. Campbell at Kingston, Mr. Forsyth-Smith
Mr. Small at Hong Kong, Mr. Freyseng and Mr. Thomson
Vienna, Mr. Harris at New Orleans, Mr. Hilton at Chica
and Mr. Major at Manila.*

COMMODITY NOTES

luminum

DIA—The Madras Aluminum Company, a recently- rmed Indo-Italian venture with a capitalization of .10 crores (Can.$20 million), will undertake the oduction of aluminum in the State of Madras. Italy ll furnish most of the machinery, estimated to cost .3.8 crores ($7.6 million).

The capitalization is made up of Rs.6 crores ($12 llion) in Indian currency, as follows: technical know- w, Rs.45 lakhs ($900,000), designers' fees, Rs.40 hs ($800,000), construction costs, Rs.35 lakhs 700,000)—totalling $2.4 million, which the Indian llaborator will take in equity shares. The Madras dustrial Investment Corporation will purchase shares rth $3 million, the Industrial Finance Corporation India $2.4 million, and directors and the public, .2 million—New Delhi.

tton

DIA—Under an agreement signed in New Delhi, rch 9, India will import 300,000 bales of United tes PL 480 cotton this year, payment to be made rupees. These imports will be over and above a nmercial quota of 420,000 bales which will un- ubtedly come from such traditional sources as East rica, the Sudan and the United Arab Republic.

Although no official estimate of the 1960-61 crop yet been announced, the trade estimates approxi- te 5¼ million bales. This compares with last year's p of 3.8 million and the average for the previous r years of about 4½ million bales. The reasons en for the agreement are that it "will help fill the created by an unusually low Indian crop last r and will assist in the stabilization of cotton prices". ce Indian annual consumption of cotton runs at no re than the expected level of this year's crop, the ports will also permit India to increase her exports raw cotton; in 1959-60 these declined to 198,422 es from 460,731 the previous year—Bombay.

tilizers

AZIL—The Cia. de Superfosfatos e Produtos micos will establish a plant in Capuava, São Paulo e, to produce an initial 40,000 tons of powdered granulated triple superphosphates of calcium (45-48 cent) annually. Production of 150 tons per day ulphuric and 40 tons of phosphoric acid will also possible. The French group Etablissements Kuhl- n of Paris, responsible ten years ago for setting up existing sulphuric acid (120 tons daily) and cal- n superphosphate (60,000 tons annually) plants, furnish plans and technical assistance—São Paulo.

UNITED STATES—Florida leads all states in the production of fertilizers and ranks near the top in consumption of mixed fertilizers and fertilizer materials, according to the Florida State Chamber of Commerce. The value of shipments from Florida fertilizer manufacturing and mixing plants, including byproducts, totalled $165.5 million in 1958. Production accounted for 16 per cent of the national figure and was by far the largest of any state.

Florida also ranks high as a consumer of fertilizer. During the fiscal year 1958-59, 1,296,610 tons of mixed fertilizers were used in the state. In addition, 753,000 tons of related materials were added to Florida soils, principally dolomitic and calcitic limestone, nitrates, phosphates and natural organics—New Orleans.

Iron Ore

SWEDEN—The LKAB Mining Company has announced it will open an iron-ore field, Sweden's third largest, in the Svappavaara district in Arctic Sweden, along the road between the Kiruna and Malmberget fields. The new deposits are estimated at over 300 million tons and are composed partly of high-grade ore. Preliminary plans—which are subject to modification—call for activity to be concentrated on the Leveäniemi deposit and carried out as open-cut mining. Investment for the next five years is estimated at over $20 million (Kr.100 million) for the mining plant proper. Output in the first year of production is estimated at 500,000 tons, increasing to 3 million by 1967 or 1968. The Swedish State Railways plans to build a 25-mile track from Svappavaara to Kiruna at a cost of about $8 million. The line will be electrified and designed for automatic operations, permitting an axle load of 25 tons. Because transportation and shipping facilities are sufficient only for handling current output from Kiruna, the Svappavaara ore will be shipped from the Swedish port of Luleå at the northernmost end of the Gulf of Bothnia, rather than the Norwegian port of Narvik—Stockholm.

Iron, Steel

FRANCE—Iron ore extraction in France rose to 66,910,000 metric tons in 1960, exceeding by 10 per cent the 60,902,000 tons mined during 1959. Exports of iron ore reached 26,834,000 tons compared with 24,503,000 in 1959.

Production of steel rose 14 per cent—from 15.2 million tons in 1959 to 17.3 million in 1960. Pig iron production reached 14.4 million metric tons compared with 12.5 million in 1959, a 13 per cent increase. Exports of French iron and steel rose from 4.8 million tons in 1959 to 5 million in 1960, of which 4.7 million tons were steel. This is a record in steel exports, and an increase of 5.5 per cent over 1959—Paris.

Motor Vehicles

FRANCE—Motor vehicle production reached 1,349,213 units in 1960, up 5 per cent over 1959. The increase in 1959 over 1958 was 14 per cent. Passenger car production in 1960 totalled 1,115,600 units; in 1959 it was 1,085,777. Some 233,613 commercial vehicles were produced, compared with 198,122 in 1959. Forty-one per cent of total production was exported last year, compared with 44 per cent in 1959—Paris.

INDIA—India's output of motor vehicles reached a new peak last year. The Government's Statistical Organization reports that 52,115 passenger cars, commercial vehicles and jeeps were manufactured, compared with 36,923 in 1959 and 32,138 in 1956—the first year of the Second Five Year Plan. The Third Five Year Plan calls for an output by 1966 of 100,000 vehicles, including 30,000 passenger cars, 60,000 commercial vehicles and 10,000 jeeps. The 1966 target will be greater if government plans to manufacture an inexpensive "people's car" are implemented—New Delhi.

Natural Gas

FRANCE—French production of crude natural gas reached 4.5 billion cubic meters during 1960. The refined commercialized total was 2.8 billion cubic meters, compared with 1.3 billion in 1959—Paris.

Nylon

SOUTH AFRICA—A £250,000 plant has just been opened at Bellville, near Cape Town, by Nylon Processors of South Africa (Pty.) Limited. The firm, a subsidiary of British Nylon Spinners, will manufacture crimped nylon yarn from material supplied by the parent company. Initial production will reach about 500,000 pounds a year—Cape Town.

Paper

UNITED STATES—The Southern Land, Timber and Pulp Corporation has announced plans to construct a $42 million pulp and paper mill on the east bank of the Chattahoochee River at Cedar Springs, Georgia. The plant will manufacture several varieties of paper products which can be produced from Southern pine timber, and will have a daily capacity of about 600 tons of linerboard. It will be the largest single industry capable of providing export shipments down the river system which links the Georgia, Alabama, and West Florida areas. The ports of Port St. Joe and Pana
City in West Florida are becoming the main oc
terminals for cargo originating upstream in Alaba
and Georgia—New Orleans.

Petrochemicals

SWEDEN—Sweden's first petrochemical industry
be located at Stenungsund on the west coast north
Gothenburg. Negotiations have led to an agreem
between Svenska Esso AB, which is to build a ste
cracking plant, the forest industry group Mo
Domsjö AB, and Stockholms Superfosfat Fabriks
Sweden's largest electro-chemical industry, which is
form a joint company with the U.S. group, Un
Carbide Corporation, for this purpose.

Aggregate investment of the three companies is e
mated at nearly Kr.200 million ($40 million). C
struction is to start on a major scale next spring
the plants are scheduled to go into operation in
summer of 1963. Other processing companies may la
join the scheme, because the productive capacity
the cracker will permit such an expansion.

The steam cracker will produce ethylene, propyle
and butadiene gases which will be supplied to
manufacturing plants by a tube system. The new su
sidiary formed by Fosfatbolaget and Union Carb
will produce polythene plastics, which will be us
among other things, for the manufacture of foils
the packaging industry. Capacity will total about 15,0
tons a year in the initial stage. Fosfatbolaget alrea
has a sizable output of PVC and melamine plastics.

Mo och Domsjö's plant at Stenungsund will have
initial capacity of some 10,000 tons of ethylene ox
a year. It constitutes the raw material for a num
of products which, as before, will be manufactured
the company's chemical plant at Ornsköldsvik, No
Sweden. These include an anti-freeze and compour
for the manufacture of synthetic detergents—Sto
holm.

Pottery

REPUBLIC OF IRELAND—A new company w
a capital of £200,000 has been formed to produ
pottery at Kilrush, Co. Clare. The new company
be known as Ceramics Limited, and is an associ
of the German firm Ueberacher Ltd., Ransbach, W
terwald. Turnover is estimated at roughly £250,0
all the production will be exported—Dublin.

Sugar

INDIA—The crop year ended October 31, 1960,
a favourable one for Indian cane sugar: producti
rose by 26 per cent over the previous year to set
all-time record of 2.4 million long tons. The chief gro
ing area, Uttar Pradesh, accounted for most of
increase; output there climbed to 1.3 million long to

m less than 900,000 in 1958-59. The increased duction is attributed to the Central Government's v sugar policy (which offers special incentive to wers and millers) combined with favourable grow- conditions. A further increase is expected during current crop year, ending October 31, 1961; present mates place the yield at about 2.6 million long tons.

This sudden expansion means that some sugar is available for sale abroad and the Government has already announced an export quota from 1959-60 production of 50,000 long tons. Indian prices are considerably higher than current world prices and some form of government subsidy will be necessary if sales are to result—New Delhi.

FOREIGN TARIFFS AND TRADE REGULATIONS

nce

BERALIZATION—The Commercial Counsellor for ada in Paris advises that, effective April 1, liberal- ion of products under 41 tariff headings has been ounced. These include some minerals and chemicals luding synthetic rubber), ferro-silicon, alloy steel, ylene glycol, nickel in matte, and toys. Refrigerators refrigerating equipment will be liberalized auto- ically on June 15.

urther details will be available from the Inter- onal Trade Relations Branch, Department of Trade Commerce.

RKING REGULATIONS—The French Ministry inance has announced that each tin of all canned products entering France must be embossed or nped with the country of origin. This announcement based on legislation dated February 10, 1955, rcement of which has been regularly postponed in past. However, effective April 30, 1961, full appli- on of the law will be instituted—Paris.

nce

RIFF REDUCTIONS—The Commercial Counsel- for Canada in Paris advises that, effective April 1, and additional tariff reductions implemented uni- rally by France have been announced. The an- nced intention of the reduction was to check the ard trend in French prices, particularly of products ntly released from price controls.

5 per cent reduction applies to imports of indus- goods from all countries. For products on which controls were abolished on April 1, the reduction unts to 10 per cent, provided such reduction does result in lower rates than the proposed EEC Com- External Tariff rates.

rice controls were removed on the following cate- es of goods on April 1: (a) machinery, cars, cen- heating equipment, castings and aluminum house- appliances; (b) electrical appliances, dry batteries, batteries, transformers; (c) textiles: almost all textile products except wool items; (d) chemicals: copper sulphate soaps, dyes and varnishes.

Further details will be available from the International Trade Relations Branch, Department of Trade and Commerce.

United States

TAXABLE STATUS OF COAL, COKE AND BRIQUETTES IMPORTED FROM CERTAIN COUNTRIES—Coal, coke made from coal, and coal or coke briquettes imported from Belgium, Canada, Japan, the Korean Republic, the Netherlands, and the United Kingdom, and entered for consumption or withdrawn from warehouse for consumption during the period from January 1 to December 31, 1961, inclusive, will not be subject to the tax of 10 cents per 100 pounds prescribed in section 4531, Internal Revenue Code of 1954.

DATE OF ALSIKE CLOVER SEED AND CREEPING RED FESCUE SEED HEARINGS CHANGED—The public hearings in connection with the investigations instituted under section 7 of the Trade Agreements Extension Act of 1951 with respect to alsike clover seed and creeping red fescue seed, previously scheduled for 10 a.m. e.d.s.t., on June 6 and June 27, 1961, respectively, have been rescheduled for 10 a.m. e.d.s.t., on June 20 and June 21, 1961, respectively.

Venezuela

CHANGES IN IMPORT LICENSING FOR POWDERED MILK—Under Decree No. 805 of March 22, 1961, issued by the Venezuelan Ministry of Development, the ratio between locally produced and imported powdered whole milk has been reduced to the point where one kilogram must be purchased locally for every 2½ kilograms to be imported—Caracas.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.010420.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 10	Units per Canadian dollar	Notes (See belo
Argentina	Peso	Free	.01199	83.40	
Austria	Schilling		.03799	26.32	
Australia	Pound		2.2166	.4511	
Bahamas	Pound		2.7708	.3609	
Belgium and Luxembourg	Franc		.01981	50.48	
Bermuda	Pound		2.7708	.3609	
Bolivia	Boliviano	Free	.00008662	11,544.68	
British Guiana	Dollar		.5772	1.73	
British Honduras	Dollar		.6927	1.44	
Brazil	Cruzeiro	General Category*	.003586	278.86	
		Special Category	Auctions suspended temporarily	Auctions suspended temporarily	
		Official selling			
Burma	Kyat		.2078	4.81	
Ceylon	Rupee		.2078	4.81	
Chile	Escudo	Free	.9408	1.06292	
Colombia	Peso	Certificate	.1477	6.77	
Congo, Republic of	Franc		.01981	50.48	
Costa Rica	Colon	Official	.1763	5.67	
		Controlled free	.1488	6.72	
Cuba	Peso		.9897	1.01041	tax
Czechoslovakia	Koruna		.1374	7.28	
Denmark	Krone		.1433	6.98	
Dominican Republic	Peso		.9897	1.01041	
Ecuador	Sucre	Official	.06598	15.16	
		Free	.05788	17.28	
Egyptian Region, United Arab Rep.	Pound	Official	2.8419	.3519	
		Export account selling	....	....	
El Salvador	Colon		.3959	2.52	
Fiji	Pound		2.4962	.4006	
Finland	Markka		.003093	323.31	
France, Monaco, etc.	New Franc		.2020	4.95	
Franco-African Republics, etc.	Franc		.004040	247.52	
French Pacific	Franc		.01111	90.01	
Germany	D Mark		.2493	4.01	
Ghana	Pound		2.7708	.3609	
Greece	Drachma		.03299	30.31	
Guatemala	Quetzal		.9897	1.01041	
Haiti	Gourde		.1979	5.05	
Honduras	Lempira		.4948	2.02	
Hong Kong	Dollar	Free*	.1695	5.90	*Mar
		Official	.1732	5.77	
Iceland	Krona	Official	.02604	38.40	
India	Rupee		.2078	4.81	
Indonesia	Rupiah	Official	.02199	45.47	
Iran	Rial		.01306	76.54	
Iraq	Dinar		2.7711	.3609	
Ireland	Pound		2.7708	.3609	
Israel	Pound		.5498	1.82	
Italy	Lira		.001592	628.14	
Japan	Yen		.002749	363.77	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 10	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3109	3.22	
Mexico	Peso		.07918	12.63	
Morocco	Dirham		.1979	5.05	
Netherlands	Florin		.2754	3.63	
Netherlands Antilles	Florin		.5248	1.90	
New Zealand	Pound		2.7708	.3609	
Nicaragua	Cordoba	Effective buying	.1499	6.67	
		Official selling	.1404	7.12	
Nigeria	Pound		2.7708	.3609	
Norway	Krone		.1385	7.22	
Pakistan	Rupee		.2078	4.81	
Panama	Balboa		.9897	1.01041	
Paraguay	Guarani	Official	.007824	127.81	
Peru	Sol		.03689	27.11	
Philippines	Peso	Free	.3299	3.03	
		Official	.4948	2.02	
Portugal & Colonies	Escudo		.03454	28.95	(8)
Singapore and Malaya	Straits Dollar		.3233	3.09	
Spain and Dependencies	Peseta		.01650	60.62	
Sweden	Krona		.1915	5.22	
Switzerland	Franc		.2290	4.37	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04681	21.36	(7)
Tunisia	Dinar		2.4049	.4158	
Turkey	Lira		.1100	9.09	(7)
Union of South Africa	Rand		1.3854	.7218	
United Kingdom	Pound		2.7708	.3609	
United States	Dollar		.9896875	1.010420	
Uruguay	Peso	Free	.08973	11.14	(9)
Venezuela	Bolivar		.2958	3.38	(10)
West Indies Fed.	Dollar		.5772	1.72	(11)
	Pound		2.7708	.3609	(12)
Yugoslavia	Dinar	Official	.001320	757.57	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. For imports of wheat, newsprint and petroleum, the exchange is fixed at Cr.200 to U.S. dollar.
3. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
4. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
10. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

BUSINESSMAN'S BOOKSHEI

Doing Business in Germany

By Dr. Rudolph Mueller and Dr. Ernest Steefel. 158 pages. $3.75 (approx.).

THE general tenor of this legal manual is well stated by the authors in the preface: "It is a summary of the main features of major questions of German law which should be considered by the foreigner who operates or intends to operate or invest in Germany. The book is limited to the fields of business activities or business interests of foreigners in the German Federal Republic and is written for the foreign reader . . . It is based on practical experience and is to serve practical purposes only."

The manual is a competent job, done by two authors who have previously collaborated on two other legal works, one of which dealt with the status of foreigners in West Germany. The present work was written in association with Dr. Helmut Debatin, an official of the Ministry of Finance in Bonn. As the preface states, it provides summaries of the law on a number of topics of interest to the foreigner: the status of the foreigner; jurisdiction, procedure, arbitration; foreign law and conflict of laws; contract and tort; agents and representatives; branches, subsidiaries, joint ventures; corporations; securities and stock exchanges; trade practices; patents, trade marks, licences; labour law; social insurance and benefits, and taxes.

Doing Business in Germany is not intended as a businessman's do-it-yourself manual for dealing with legal problems that might arise or need to be considered by an individual or firm interested in or concerned with Germany. It does, however, provide a general summary of the law on a wide range of subjects. It should be useful to the lawyer who occasionally is consulted by a client doing business in Germany.

Order from: Fritz Knapp Verlag, Frankfurt Am Main, West Germany.

Mexico 1960—Facts, Figures, Trends

Banco Nacional de Comercio Exterior, S.A. 366 pages. $4.50.

THIS book endeavours to provide concise information on Mexican history, politics, economics and social conditions.

It is divided into four chapters. The first, "Background", gives general information on the legal status of foreigners, economic and social policy, the Government's economic program, and international policy. The Mexican economy as such is described in the second chapter. Accompanying statistical inform
covers periods up to 1959 and, where possible,

Of particular interest to the businessman is the
chapter which discusses foreign trade policy an
balance of payments and analyzes imports and ex

Under the heading of "Directories", four lists a
in Chapter Four; these furnish information on f
government agencies with jurisdiction over f
trade and on specialized publications on eco
affairs or international trade.

Although the book provides the businessman
adequate background material on the country,
who desire more complete knowledge of the eco
and of Mexico's political and social life may w
supplement it with further reading.

*Order from: Banco Nacional de Comercio Ex
S.A., V. Carranza Nº 32, Mexico 1, D.F.*

The West German Market

Contimart AG. 67 pages. $10.00.

CONTIMART AG, an international marketing res
and advisory organization with headquarters in Z
and allied with W. S. Crawford Ltd., has prepa
general report on the active West German market
publication is mimeographed and has a soft-
binder.

The West German Market considers the Fe
Republic under the general headings of populatio
marketing regions, employment, wages and inc
consumer saving and expenditure, trade channels
tribution costs, price maintenance and cartel regula
and advertising media. A brief section gives pra
hints to firms entering this Western European m

Statistical reports are integrated with the tex
deal with such subjects as impulse buying, u
selected commodities, retail trade, distribution cha
and periodicals (with their circulation). In some
the statistics provided are quite comprehensive
the figures are seldom more recent than 1958.
European Common Market and the European
Trade Area as they affect, or are likely to affect
market are given rather superficial treatment.

Some of the information provided in the repor
be already known to Canadian firms dealing exten
in the West German market but should prove use
those inexperienced in trade with the Federal Rep

*Order from: Crawfords Advertising Service,
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60-6

How to Sell Los Angeles (page two

French Department Stores: A Promising Market (page nine

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How to Sell Los Angeles 2

In our first issue in 1961, the author sketched for our readers the growth of Los Angeles and its emergence as the second largest retail market in the U.S. Here he discusses the practical problems in selling Canadian products there and how some Canadian companies have managed to solve them.

L'Air Liquide Expands Its Export Markets 5

A company born of a French parent that came to Canada fifty years ago has successfully sold to foreign customers one of its highly engineered products—low-temperature gas-separation units. It's an encouraging example of Canadian initiative in seeking business in a specialized but highly competitive field.

Selling Leather in Switzerland 7

At the Export Trade Promotion Conference in Ottawa last December, a number of Canadian leather manufacturers inquired about sales opportunities in Switzerland. Our Berne office has since surveyed the market; presents its findings here.

French Department Stores: a Promising Market 9

This step-by-step outline of how to approach the buyers for the "big five" department stores in Paris should induce many Canadian exporters of consumer goods to follow through and sell their products through this particular outlet.

Construction Engineers Seek Opportunities 11

Opportunities for Canadian contractors and their method of capitalizing on these should improve because of information gathered by an eleven-man mission that recently conferred on the spot with government officials, engineers, architects and contractors in five Latin American and Caribbean countries.

Mexico Makes Progress 14

Canadian sales to Mexico increased by $10 million last year, as industrial growth boosted demand for our primary materials and certain specialized equipment. This business review suggests that the trading barometer is "set fair."

The IBRD in 1959-60 4
Sierra Leone: New African Nation 16
Canadian Poultry Delegation Studies European Markets . 18
Venezuela Amends Foreign Exchange Controls 22
U.S. Lumber Market in '61 36

Commodity Notes 24
Fairs and Exhibitions 20
Foreign Exchange Rates 34
Foreign Tariffs and Trade Regulations 27
Foreign Trade Service Abroad 28
Trade Commissioners on Tour 26

EXT ISSUE——A REVIEW OF TRADE WITH INDIA, BURMA, PAKISTAN, CEYLON

GORDON F. OSBALDESTON, *Consul and Trade Commissioner, Los Angeles, (right) who prepared this report, photographed outside the Pan Pacific Auditorium in Los Angeles, where the Western Metals Show was in progress. With him is a Canadian businessman who was exploring sales opportunities in California, D. A. Perry, Sales Manager of Metal Powders Inc., Montreal, Quebec.*

How to Sell Los Angeles

Afraid that transportation costs will make you uncompetitive in the big California market? Many Canadian firms have discovered how to surmount this barrier; you may find their experience helpful.

THE Canadian firm selling its products in the United States but which does not have distribution in California is neglecting the second largest retail market in the United States and the fifth largest market for industrial products. And yet some Canadian firms seem reluctant to consider California as an outlet for their goods.

Offsetting Transportation Costs

The apparent reason for this attitude is that they consider the cost of transportation to California prohibitive. But the success that numerous Canadian firms have achieved here makes it abundantly clear that many Canadian manufacturers can bear these additional costs and that Canadian products can be sold competitively in Los Angeles.

Let us examine the techniques that some Canadian companies employ in selling in Los Angeles and consider the methods proposed by others seeking to enter this market. Perhaps you can use their ideas in your company. In each instance, the company quoted or referred to has made an adjustment in its normal sales policy in order to become competitive in the California market.

1. Obtain Carload Rates

In order to obtain carload rates, we will have to warehouse our products in Los Angeles and permit our Los Angeles broker to draw from these stocks.

This method of operation probably provides the simplest solution to the problem—the securing of ca load or truckload rates. To use thi your products must obviously b suitable for volume sale. It may b necessary to warehouse the good under your own name or to find warehouse distributor willing handle them.

One Canadian company whic manufactures a food product has a exclusive arrangement with a majo downtown department store f distribution in Los Angeles. Th store imports the commodity in ca load quantities and features it its advertising.

Another Canadian company, subsidiary of an Eastern Unite States firm, has arranged for i parent company to distribute i uniquely Canadian product in Cal fornia. In this way, the compan n ship in bulk to its sister plant, ich then incorporates the Cana- an product into a combined ship- ent of Canadian and U.S. products stined for California.

It is clear that there are a number ways to obtain the benefit of car- d rates. Sometimes it requires agination and willingness to spend necessary time to work out the tails.

Sell to the Retailer

We feel we would have to sell the retailer in order to compete th United States production that being sold first to the Los Angeles olesaler and then ultimately to retailer.

This method—eliminating one k in the distribution chain—is obably the most common tech- que employed by Canadian firms shing to be competitive in this rket. It is a method that contains vious pitfalls and must be used th care and caution.

A Canadian clothing manufac- er includes Southern California his regular spring selling trip. He ndles this area just as he handles lmonton. He feels that he does not ed a local representative because market is so important to him at he would want to visit it at ast once a year anyway. Instead making an inspection trip to eck up on his agent, he stays a ek longer and turns the visit into sales trip.

An Eastern Canadian company cludes Southern California in the ritory of its Vancouver represent- ve.

Another Canadian firm which dinarily sells to wholesalers in the ited States concentrates its sales ort in this area on six major retail tlets, thus eliminating the whole- ler's 5 per cent commission.

Before passing over one link in distribution chain, the retail out- s must be checked carefully to certain that they are good credit ks and can produce results in les. It means that the Canadian company must send a representative to the area who can make himself familiar with the local market situation and develop suitable accounts among the major retailers.

What Canadians Sell in California

Canadian manufacturers are selling the following products in California:

- Fertilizer
- Apples
- Fisheries products
- Hardwood lumber
- Softwood lumber
- Plywood
- Veneers
- Shingles and shakes
- Chemicals
- Rubber belting
- Cheese
- Iron castings
- Taps and dies
- Copper wire and cable
- Sulphur
- Skis
- Steel reinforcing bars
- Electronic instruments
- Machinery
- Aluminum
- Newsprint
- Whisky
- Aircraft parts
- Ball bearings
- Wood pulp, sulphate
- Leather
- Mustardseed
- Prepared animal food
- Sports clothing
- Roller bearings
- TV converters and accessories
- Hydrogen generating plants
- Boats
- Peat moss
- Automobile parts
- Office dictating machines
- Asbestos
- Lenses
- Brass rods, sheets and bars
- Galvanized wire
- X-ray apparatus
- Scientific instruments
- Maple syrup
- Meat products
- Wallpaper
- Saws
- Iron and steel moulds
- Electrical apparatus
- Hockey nets
- Jams and jellies

3. "Mutual Interest" Arrangements

We would like to find a manufacturer of a complementary line of equipment who would undertake to distribute our products in Los Angeles while we would undertake to distribute his lines in Canada.

This approach to the local market might be called the "mutual interest" approach. The basis is that the salesmen of the local manufacturer, and of the Canadian manufacturer, are already calling on the trade and the dollar return from these calls can be increased if they can offer a related line. In addition, most manufacturers want to round out any gaps in their product line. Once again, this method can eliminate some of the distribution costs or at least provide an increased source of income for the Canadian manufacturer who distributes the United States line and thus offsets the additional costs of selling in California.

4. Special Transportation Methods

We sell our product to a California company which delivers citrus fruit to Canada with its own trucks. It can then transport our product to California on its return haul at a favourable cost.

This approach of seeking low-cost transportation arrangements has proved very successful in selected cases. It is a difficult thing to set up and can probably not be deliberately sought but rather taken advantage of when the opportunity presents itself. Some Eastern Canadian firms might explore the possibility of shipping by water to California through the Panama Canal. At least one shipping company runs a scheduled service from the Great Lakes and the Maritime Provinces to Los Angeles Harbour.

These are only a few of the ways to meet the increased costs of shipping to this market. The main requisite for the Canadian exporter who wants to sell in Los Angeles is a sincere desire to do so. He must be prepared to examine the market and, if necessary, adjust his sales policy to fit the situation.

Price Not All-Important

The accompanying list certainly does not give the impression that Canadian products are uncompetitive in California. Yet the phrase "I regret we cannot quote on this inquiry since we do not feel we would be competitive," keeps recurring in our correspondence with potential exporters to this market. Sometimes the exporter has checked the market and he is definitely not competitive. Sometimes he has simply looked at the distance and perhaps even checked the freight rate and then decided that he cannot compete. If the latter, he does not seem to think of seeking a solution to the problem of freight costs nor does he give proper weight to the quality or design of the Canadian product. Price is only one aspect of successful selling. If only the lowest priced commodities sold in California, many companies would be out of business.

Certainly, if to a higher price is added a lack of salesmanship, a lack of other benefits such as good delivery dates, attractive terms, and superior design and quality, then the Canadian exporter is uncompetitive. But this is usually not true.

Must Visit Market

One fact probably outweighs all others in deciding whether a Canadian exporter can sell here—is he prepared to visit the market and offer his product to the local buyer? Few United States buyers do business by correspondence. They don't have to rely on brochures and letters to obtain their requirements. Every day the major buyers have salesmen calling on them and offering new lines. Naturally, they want to deal with new firms face to face; it is human nature to put more faith in a person than in a letter. How many Canadian firms expect to land a major Canadian account without making a personal call? Why does the recognition of this fact often disappear when they cross the border to do business in the United States?

One point seems to be a reasonable guide-post for Canadian exporters wishing to sell in California. The firms which have been unsuccessful in their efforts to sell their products in United States markets adjacent to the border cannot in all likelihood compete in California. This market is as competitive as any in the United States and the additional freight cost would probably make the firm uncompetitive in California. There are exceptions to this, especially where the local market characteristics are unique and offer an opportunity to Canadian exporters not found elsewhere. The market provided by the tremendous concentration of aircraft manufacturers is a case in point. But generally speaking, Canadian companies which have found their products competitive in areas adjacent to the border should certainly examine opportunities awaiting them in California. ●

The IBRD in 1959-60

DURING the fiscal year 1959-196
total loans made by the World Ba
for reconstruction and developme
rose about $658 million. Asia a
the Middle East benefited most, ta
ing a little over 40 per cent; th
used these funds mainly for buildi
highways and dams for irrigation, a
for developing hydro-electric powe
primary iron and steel mills, pulp a
paper plants, and chemical plants.

Africa came next as a recipient
IBRD aid, with a little less than
per cent of the loans made. The
were used for the development
mines, transportation, and agricu
ture, in that order of importance.

Latin America obtained 20 per ce
of the total and used the funds almo
exclusively for building dams f
hydro-electric power and irrigatio
particularly in Chile, Colombia, Ho
duras, Nicaragua and Peru.

Europe obtained 10 per cent
the Bank's loans to finance a hydr
electric power plant in Norway a
an atomic power plant in Italy. Au
tria received an industrial loan.

A brief analysis of the type
loans made reveals that power pro
ects accounted for a little less tha
30 per cent of the total, with Lati
America taking the lion's share. Loa
for transportation projects accounte
for slightly more than 20 per ce
of the total; Asia and the Middle Ea
received most of these. The Su
Canal Authority borrowed $56½ mi
lion for the deepening and wideni
of the Canal. The Japan Highwa
Public Corporation received help
financing the first expressway in th
country, from Amagasaki to Ritto.

Industrial loans came third in im
portance, with 12 per cent of th
total; Asia and the Middle East agai
received the major part, largely
build up the steel, mechanical, ele
trical and paper industries.

A single loan of $66 million
Mauritania represented 10 per ce
of the Bank's loans in this period.
will finance the development of hig
grade iron ore deposits which a
expected to make the republic sel
supporting.

Since its first loans to the Nethe
lands, Luxembourg and Denmark
1947, the IBRD has made loa
totalling altogether $5.2 billion. Th
main recipients have been Indi
France, Japan, Italy, Brazil, and th
Netherlands; 38 other countries hav
also been granted loans over the sam
period. ●

All types of low-temperature gas-separation units are made in the company's Montreal plant. Here the big cranes are moving a comparatively small "packaged" type of plant from the test site outside the Montreal Works to the shipping point.

L'Air Liquide Expands Its Export Markets

Ten years ago, L'Air Liquide of Montreal began competing for export orders to keep its war-expanded plant busy. With H. Branchaud, manager of its Export Department, the editor of *Foreign Trade* discussed the company's experience since it began seeking foreign business.

CAN Canada compete with other countries in selling highly technical equipment in foreign markets? Can Canadian-trained engineers design and build complex plants to meet the needs of foreign buyers in the face of American and European competition?

Put this question to Henri Branchaud, Manager of the Export Department of L'Air Liquide, Montreal, and he will respond with an immediate and unqualified "yes". He is speaking from experience. L'Air Liquide, the only manufacturer in its field in Canada, began to look for contracts abroad soon after the last war. Its Engineering and Construction Division now does some 60 to 70 per cent of its business in designing and erecting low-temperature gas-separation plants for clients in the United States and in Europe.

L'Air Liquide's slogan is *Oldest in Experience, Newest in Design.* A wholly owned subsidiary of the French company, L'Air Liquide, a world-wide organization which pioneered in air liquefaction and fractional distillation of gases, the Canadian firm was founded in Montreal, where it built its first oxygen plant just fifty years ago. By 1915 it was making acetylene gas in Canada and a year later, as a wartime assignment, began to supply the British Admiralty with helium for its observation balloons. But until the outbreak of World War II most of its business was domestic business, principally the supply of oxygen, nitrogen and other gases and mixtures of gases to industrial and medical users. Whenever it obtained orders for low-temperature gas-separation units—it built its first low-temperature separation plant in 1916—it imported most of the intricate equipment needed from its French parent.

War Speeded Development

World War II cut the bond between parent and child and stimulated the Canadian engineering staff to design and produce its own equipment. Soon the company was pressed into service to supply oxygen liquefaction units to the Department of Munitions and Supply for Allied countries. (It also provided the RCAF with dry-breathing oxygen for high-altitude flying, erecting a plant in Newfoundland for the purpose.) As its operations expanded, it acquired an impressive amount of knowhow and the nucleus of a highly trained designing and production staff.

In the early postwar years, orders continued to flow in, as industries in Europe began the rehabilitation process. Many of these orders were for oxygen plants with a relatively small capacity. Within a few years, in one of the great postwar technological break-throughs in the oxygen industry, L'Air Liquide was able to design and build giant capacity oxygen-producing plants which they called "Oxytons" (a registered trademark). Its first Oxyton order was from International Nickel at Copper Cliff, Ontario, in 1948. This plant has produced 300 tons of oxygen a day by the low-temperature separation process for use in copper smelting ever since it went on stream.

Meeting Competition

In 1948, L'Air Liquide set up its separate Engineering and Construction Division in Montreal, to go after contracts for designing and building low-temperature gas-separation units of all types. But obtaining business in this specialized, highly technical line presents special problems. The Montrealers have no worries about competition from other Canadian companies because there are none equipped to undertake this work. In fact, only about 15 companies in the world are active in this field. But among them competition is relentless. L'Air Liquide's keenest rivals are three or four companies in the United States and one or two in West Germany.

If potential suppliers are limited, so too are customers. They are concentrated chiefly in countries with a fair degree of industrial development rather than in those at earlier stages of industrial progress. Petrochemical industries make excellent prospects because they are interested in recovering hydrogen, ethylene, methane and other hydrocarbons from refinery off-gases. The steel mills too have become tremendous oxygen consumers. Within the past ten years, oxygen technology has revolutionized basic steel-refining methods the world over and has also resulted in completely new oxygen steelmaking processes. Only large, on-site Oxytons can meet their demands. Today L'Air Liquide boasts that it has built more hydrogen recovery units than any other firm in the world. Some of these are large-size installations and others are smaller "packaged" units.

First Foreign Customers

Oil and petrochemical companies in the United States became L'Air Liquide's first foreign customers once it launched its export drive; from 1952 until 1959, in fact, the United States was its only export market. In Texas, for example, it obtained a contract for a high-purity oxygen plant that produces 400 tons a day of 98 per cent pure oxygen, plus a stream of high-purity nitrogen. L'Air Liquide's process for making ammonia synthesis gas has also brought it orders. At Lake Charles, Louisiana, it installed a plant for a petrochemical firm in which a raw hydrogen feed stream containing a number of gases is treated by a low-temperature nitrogen scrubbing unit. The resulting product, ammonia synthesis gas, is turned out at a rate equivalent to 310 tons of ammonia a day and goes into the making of fertilizers. Other applications of L'Air Liquide plants include carbon monoxide and methane purification, the separation of coke oven and refinery gases, and helium recovery from natural gas. Altogether Mr. Branchaud estimates that his company has built over 40 per cent of the low-temperature gas-separation plants installed in private industry in th United States.

In 1959 the company bid fo business in Europe. As a start, tendered successfully for a two-par gas separation plant (an air separa ration unit and a nitrogen scrubbin unit) in Pancevo, Yugoslavia, par of a complex for making fertilizer using ammonia synthesis gas. Th equipment has all been delivered i Yugoslavia and erection will b completed at the end of this year

Plants Are Custom-Made

To keep abreast of development and to ensure the best possible service to clients, L'Air Liquide carries on continuous research in it Montreal laboratories on the liquefaction and separation of gases an on their application to industria processes. And it moves with th times. Its process for hydrogen recovery has assumed added importance because of the use of pur hydrogen in rockets and missiles and production of heavy water b fractional distillation is useful i atomic programs. In all the contracts that the company undertakes its research, design and project engineers work as a team. This i essential, Mr. Branchaud emphasizes, because the plants and equipment in which it specializes ar nearly always custom designed t meet a particular need. For thi reason, any one contract may rang in value from a low of abou $300,000 to a high of $3 to $ million.

Competitive Factors

In competing for business in thi limited field, it is not price alon that weighs with the client. Basi knowhow, design ability, experience, and quality of workmanshi also are very important considera tions. Vital at the moment is delivery time. German deliveries hav been lagging, the company reports and this has worked in its favour One of the inducements that L'Ai Liquide can offer is that the customer will get his plant quickly— say in 12 to 18 months. (This estinate includes the time it takes to nake certain that the plant is perating properly and to train perators. Actually, these gas-separation plants are highly automated nd can be run with a minimum of upervision.) Competing with the Jnited States is possible because ingle units and not mass producion are involved and quantity eases to be such an important actor.

Learning about prospective cusomers, often a problem in the enineering field, is less difficult in his restricted field. Whenever a ompany is considering a plant for btaining gases by fractional disillation, all the possible suppliers oon hear about it and contend for he business. The prospect, for his art, shops around and may well sk for prices and delivery dates rom all of them. And, also because the number of prospective clients is limited, extensive sales promotion does not seem worthwhile. Occasionally L'Air Liquide sends a representative abroad to carry on negotiations with a prospect; recently some of its engineers were dispatched to Belgium and to Britain and succeeded in nailing down contracts. The Yugoslavs reversed the process—they came to North America to discuss their needs. L'Air Liquide does do some advertising, chiefly in technical journals in the United States catering to selected groups, such as the petrochemical industry.

Over ten years have passed since this enterprising Montreal firm began soliciting export business in earnest. Since then, L'Air Liquide's Engineering and Construction Division has built and put into successful operation some of the largest oxygen plants and most of the hydrogen recovery plants in the United States and Canada. These include close to 50 oxygen plants with production capacities ranging from 25 tons to 400 tons per day, and over 30 hydrocarbon separation units. Today it is engaged on seven plants for the United States and is building others in the United Kingdom, Belgium and Yugoslavia. Currently the contracts it holds in Canada and abroad are worth a total of $28 million or, to express this in technical terms, it is designing and building plants that together will produce over 4,200 tons of oxygen a day and 1,500 tons of ammonia synthesis gas. And nearly two-thirds of this business is in foreign countries.

Its plunge into exports has paid off. ●

Selling Leather in Switzerland

uality, competitive prices, buying seasons, delivery terms, keeping p-to-date on European fashion trends—these bulk large in successul cultivation of this market.

. H. NELSON, *Assistant Commercial Secretary, Berne.*

N the calendar year 1960, Switzerand imported leather of all types o a total of Sfr.32.4 million, or pproximately Can.$7.4 million see Table I). Are Canadian exorters obtaining a reasonable share f this business? We think not, and he following market report will, e hope, show Canadian exporters ow to increase their sales of eather to Switzerland.

anada's Exports

Following the year 1956, when anada's leather exports to Switzerand totalled 909,046 square feet, sales decreased for the years 1957 (848,851 square feet), 1958 (455,801 square feet), and 1959 (328,379 square feet) but rose again in 1960 to 547,445 square feet (see Table II).

The year-to-year fluctuations in sales of the three main types of leather shown in Table II have not been uniform. Exports of glove leather varied considerably and calf upper leather steadily declined. Shipments of other upper leather declined from 1956 until 1959 but recovered in 1960. There are many reasons for these fluctuations in export volume, not the least being the competitive position of Canadian tanners in the world market. However, the exporter often finds it difficult to adjust his prices to meet competition and since other factors are involved, they too should be examined closely.

Quality

Switzerland is a very quality-conscious market. Leather users demand top quality, yet some Canadian exporters have been offering "run of the tannery" leather. Even though the good quality of Canadian leather is recognized, lower grades included in such an offering are of no interest to this market.

It is difficult for Canadian tanners to control quality and this becomes a problem in the handling of large special orders. On such orders, a

TABLE 1

SWISS LEATHER IMPORTS, 1960

Sole Leather	Kg.	Sfr.
West Germany	214,556	1,332,600
France	14,157	121,903
Italy	15,267	81,833
Netherlands	26,821	139,590
Belgium, Luxembourg	5,751	20,687
United Kingdom	1,561	10,781
Yugoslavia	7,590	24,881
United States	2,443	17,828
Other	3,049	18,243
Total	**291,195**	**1,768,346**
Split Upper Leather		
West Germany	12,512	204,708
France	10,207	65,261
Italy	1,422	20,255
Austria	6,429	69,705
Netherlands	23,947	394,856
Belgium, Luxembourg	8,146	67,417
United Kingdom	12,265	140,349
CANADA	4,914	33,025
United States	21,411	240,045
Uruguay	4,171	37,230
Argentina	25,769	230,533
Other	448	3,282
Total	**131,641**	**1,506,666**
Calf Leather		
West Germany	31,157	1,684,732
France	93,565	4,263,221
Italy	6,899	356,757
Austria	19,503	862,522
Netherlands	3,680	132,517
Belgium, Luxembourg	13,703	520,273
United Kingdom	52,216	1,411,371
Denmark	163	16,268
Sweden	14,846	375,658
Egyptian Region, U.A.R.	8,835	163,641
Pakistan	7,750	138,485
CANADA	370	35,092
United States	23,936	1,639,512
Other	989	27,411
Total	**277,621**	**11,627,460**
Other Leather		
West Germany	348,759	5,414,245
France	19,915	468,506
Italy	46,358	1,099,717
Austria	81,725	1,834,402
Netherlands	70,860	1,118,215
Belgium, Luxembourg	35,959	639,285
United Kingdom	34,796	881,315
Yugoslavia	9,227	100,650
Pakistan	10,735	79,056
CANADA	41,312	625,943
United States	238,338	4,669,858
Uruguay	29,564	395,135
Other	14,281	172,075
Total	**981,829**	**17,498,402**

TABLE II

CANADIAN LEATHER EXPORTS TO SWITZERLAND

	Sq. ft.	Can.$
Glove Leather		
1960	117,895	25,551
1959	57,810	15,954
1958	5,054	1,658
1957	100,973	21,576
1956	77,930	17,600
Upper Leather, Calf		
1960	5,496	5,831
1959	44,996	46,474
1958	66,224	53,385
1957	71,103	59,311
1956	72,029	62,183
Upper Leather, n.o.p.		
1960	424,054	157,333
1959	225,573	98,000
1958	384,523	120,240
1957	676,775	221,495
1956	759,087	240,981

Canadian tanner places the raw leather in process but the quality cannot be ascertained until the tanning process is completed. European tanners, on the other hand, are able to buy hides according to the district in which they are produced and the normal quality from each district is known.

Send Samples Early

Offers must coincide with the buying season. In recent years the buying seasons have been advanced; manufacturers of leather goods now make buying decisions almost a year in advance of the retail selling season. Canadian exporters do not, in many cases, forward samples in sufficient time and their agents have been able to obtain orders for special leathers only, or for requirements that could not be filled by other suppliers.

Canadian tanners are at a definite disadvantage in competing with European suppliers on delivery terms. Before World War II it was possible to consider selling on consignment. But with the growth of fashion as a factor in the leather trade, this became too risky and goods were sold for cash and stored by the agent in a free port fo delivery on receipt of orders. Toda fashion is so important that eve this method cannot be used as extensively as it once was. The resu is that buyers are still demandin quick delivery, but delivery direc from the tannery. Shipments fron Canada by ocean freight are ofte too slow and hence we lose orders and at present, air freight is to expensive.

Fashion Is Vital Factor

The effect of fashion has bee referred to but it is of such importance that it needs amplification. U to about two or three years ago, th colours offered by North America tanners were a year or so ahea of those offered by European tanners. The situation is now exactl reversed. Recent offerings of dye leather by Canadian tanners hav generally failed to conform with th colours in vogue in Switzerland Much of the recent decline in Canadian leather exports to Switzerland, particularly of calf uppe leather, may be attributed to th unsuitability of the colours shown

The strengthening of the European position as the fashion-sette for leather colours is due to th growth of leather fashion council not only in Switzerland but in mos other European countries. Thes councils set the colours to be use each season in their particula countries and decide, to a lesse extent, on the colours that will b common to all European countries Hence their importance to Canadian leather exporters cannot be exaggerated.

The office of the Commercial Counsellor, Canadian Embassy Berne, Switzerland, has prepared a special Note on the Swiss Leather Fashion Council to assist Canadian leather exporters seeking further information on colours required in this, and other, European markets. A copy of the Note may be obtained by writing the Commercial Counsellor in Berne, who will also be pleased to provide any other assistance required. ●

French Department Stores

a promising market

Fast-growing, competitive, and alert to opportunity, department stores in France will take your consumer product if they like it, pay promptly, and put it on counters throughout the country—a quick and profitable way to enter this expanding market.

/. G. BRETT, *Assistant ommercial Secretary, Paris.*

HE department store is as familiar Canadians as the supermarket nd the drug store. But in a country ke France, where there are four inds of butcher shops, at least iree types of grocery shops, two ypes of bakeries and two types of rug stores, it is a rather curious evelopment. The department store as, however, pierced the traditional iarketing pattern of France. It canot be said that the winds of change re sweeping French merchandising -the department store is not a new rrival on the distribution scene. But ndeniably it is assuming a more important rôle in the commercial life f the country. Nowhere is the new eedom of importing more faithilly mirrored than on the counters f Trois Quartiers, Galeries Lafaytte, Au Printemps, Au Bon Marché, e Louvre and La Samaritaine. hese houses, the main department ores of France, compete intensely ith each other, as lean prices, naginative advertising and a growig acceptance of new sales techiques prove.

Claiming an increasing percentage f the consumer's "nouveau franc" iese stores offer the new Canadian xporter of consumer goods an ffective outlet in the French market or a wide range of consumer prodcts and to the old established exorter an avenue which should not be overlooked by his appointed agent.

Lining Up Interviews

Store policies toward price quotations, samples and quality diverge considerably. But when it comes to the mechanics of buying, there is enough common ground to permit a faithful description. The first step is to contact the "service d'importation" or the "service d'achat" to get the name of the buyer responsible for purchases of the particular product. Then a firm appointment is made. Often buyers (they number up to 90 for some stores) are shifted from one related department to another but the Commercial Section of the Canadian Embassy has reasonably up-to-date records or can soon obtain the name of the appropriate buyer. In almost every case the appointment will be made at the store's buying office; only in the case of unwieldy or very expensive products are showings held in a salon or hotel room.

Meeting the Buyer

Once at the store, the procedure seldom varies. The salesman is ushered into a large room with chairs set out as in a small theatre, facing towards a large bulletin board covered with the names of the various buyers and the "rayons" or "lines" which they handle. Invariably too, a rather perfunctory "huissier" issues to each prospective seller a numbered card. (Often the salon reminds me of those traditional cartoons depicting people grouped outside patent attorneys' offices, carrying parcels of every imaginable shape and size.) A few minutes before the appointed time, the salesman is escorted to the buyer's desk and discussion begins.

Decision Made Quickly

The most striking feature is the degree of discretion afforded the buyer. He is always knowledgeable and businesslike and is either going to buy or not. I have yet to hear of one of these people saying that he must refer the final decision to someone higher up. The discussions are therefore as businesslike as one could imagine. Each question is to the point and an answer is expected then and there. There are people waiting outside. Consequently, sellers should come well armed with specifications and details and both f.o.b. and c.i.f. prices. If for some reason the product is unacceptable, you will be told immediately, and why. If it is acceptable, you will be expected to contract the order on the spot and in most cases leave the sample. One question always asked is, "Have you been to any of the other department stores?" Your answer should be "yes" or "not yet" because, as noted, this is a developing and intensely competitive field and no buyer wants to overlook a feature which a competitor may adopt.

The usual length of an interview is about half an hour and the seller should be careful to adhere to this unless the buyer himself seems to want to prolong it. The popular conception of a Frenchman as a man with all sorts of time for the matter in hand and an easy acceptance of two-hour luncheons should be rejected, not only with department store buyers but with all Frenchmen engaged in business. These people are good businessmen. You have only to look at the statistics or to try selling them a poor-quality product to realize this.

After your half hour or more you leave the buyer, either with or without an order. If you have more than one product, the buyer will often arrange an immediate appointment with an associate, offering his impressions of the line. Naturally the buyers expect to conclude sales in French but there are translators on hand as a customer service who may be called upon if it is absolutely necessary.

The Stores

Against this background, it may be useful to examine the general features of each of the main stores —Galeries Lafayette, Au Printemps, Au Bon Marché, Le Louvre and La Samaritaine. Each has its deluxe departments and its bargain basement. There are also two other mass outlets, Prisunic and Monoprix—roughly comparable to an amalgam of one of our lower-priced department-store chains and one of the bigger drug chains. Here are some details about buying procedures in four of these stores.

- *Au Printemps and Le Louvre,* two of the big stores, can be conveniently grouped under their common buying agent, SAPAR (Société Parisienne d'Achats en Commun), 102, rue de Provence, Paris 9e. This organization has four offices in France and offices in Belgium, West Germany, Switzerland, Britain, Japan and Spain. They like to receive quotations f.o.b. Canadian ports and in most cases prefer to keep samples. They also do the French buying for some 250 foreign department stores. They do not like opening letters of credit and habitually pay all accounts within ten days of receiving an order. As mentioned, they prefer to receive buyers in their offices. As one indication of the size of their operations, 1960 sales of Au Printemps and associated stores were expected to approximate some $140 million. This organization is extremely alert to interesting offers from countries long inhibited by exchange difficulties from trading in the French market. The group buys for some 90 stores throughout France and once entry is made with a promising line, wide distribution is assured. Grand Magasin du Louvre has branches in Reims and Algiers.

- *Galeries Lafayette,* one of the most renowned stores, purchases through SPAM (Société Parisienne d'Achats et de Manutention), 25, rue de la Chaussée d'Antin, Paris 9e. To handle the new import opportunities a special "service d'importation" has been formed under the direction of M. Le Hir. These specialists are quite flexible about samples, showings, etc., although they usually like to retain samples. They prefer prices quoted f.o.b. Canadian ports and merchandise is paid for promptly on receipt through any designated bank. The Paris service buys for the five branches located in Lyon, Nice, Nantes, Montpellier and Rennes.

- *Au Bon Marché* is a fairly typical operation which we might profitably examine from the point of view of organization. This store has 62 buyers who work directly with suppliers in the manner outlined above. It carries as comprehensive a range of products as do any of the recognized North American stores. There are 13 buyers for women's wear alone and almost as many for men's wear. The household departments are every bit as finely organized as the best Canadian or U.S. stores.

Au Bon Marché, like most stores, insists on full details of all merchandise offered and the seller may well be asked about seemingly r mote technical details. It prefe prices to be quoted c.i.f. either I Havre or Paris. Payment is inva iably made upon receipt of goo and a 2 per cent discount expected.

Agent Not Necessary

This discussion has taken th point of view of a Canadian visit approaching these outlets. There no reason, prices permitting, wh the same approach could not b made by an appointed agent, bu this is one of the few fields whe the services of an agent are n necessary. (Another is in sales t the many industry-wide purchasin organizations or "groupements". Through these stores, the Canadia exporter can introduce new produc on the widest possible front with th prospect of a worthwhile volume sales in the early stages of his pa ticipation. Not only can he find ou immediately whether or not h product is saleable in France, bu he gets automatic coverage throug branches elsewhere in the countr The tendency for agents to group i Paris, often with insufficient atten tion to important provincial centre is generally recognized.

There are other obvious advan tages: the ability to introduce range of products at one centralize buying point with consequent sav ings in shipping and documentatio charges and also, prompt and cer tain payment.

Therefore if you are new or un used to the French market, thes stores are among your best avenue of approach. They are extremel alert to import possibilities and the will give you an attentive hearing.

Reprint Available

"How the Government Finances Lon Term Exports", an article explaining th new government facilities for long-ter financing of exports, published in th March 25, 1961, issue of *Foreign Trad* has been reprinted. If you would lik copies, write to the Editor, Departmen of Trade and Commerce, Ottawa.

The members of the Construction Engineering Mission photographed in Bogotá, Colombia, with Jean Morin, Canada's Ambassador to Colombia (fifth from right) and J. H. Bailey, the Canadian Commercial Secretary (second from left). J. M. Soules, spokesman, is in the centre.

Construction Engineers Seek Opportunities

trade mission of Canadian contractors visited five countries in atin America and the Caribbean in February and early March; iscovered that joint tendering with local firms could mean profit-ble business and that Canadian experience is welcome there.

AVID MOTT, *Engineering and Equipment Division,*
told to Foreign Trade.

ATEST in a series of trade mis-ons sponsored by the Department Trade and Commerce, a Cana-an Trade Mission of Construction ngineers recently spent 24 days Central America and the Carib-ean. Organized for the purpose of ploring opportunities for con-ruction in this area and making known the services that Canadian firms can provide, the mission was made up of ten executives of Canada's construction industry (who paid their own expenses), plus David Mott of the Department's Engineering and Equipment Division, who served as secretary. Jack M. Soules, immediate past president of the Canadian Construction Association, acted as spokesman for the mission.

Mexico City

The mission left Canada on February 19 for Mexico City. Here the busy 24-day schedule began. When the journey ended in mid-March, the mission had visited Mexico, Guatemala, Colombia, Trinidad and Jamaica. Private discussions, group meetings, business luncheons and receptions—all arranged with the help of the Trade Commissioners in each area—packed each day.

Here are some of the highlights of their visit to each of the countries covered.

Members of the Mission

Contracting Industry

JACK M. SOULES (spokesman)
Chairman of the Board, Robertson-Yates Corporation, Hamilton; Past President, Canadian Construction Association.

G. L. DUCHARME
President, Univex Electrical Construction and Engineering Ltd., Ottawa.

G. R. ADAMS
Vice-President, The Foundation Company (Overseas) Limited, Toronto.

WILLIAM HARVEY
Vice-President, Glen Lawrence Construction, Ltd., Kingston, Ontario.

C. E. HAWKE
President, Ontario Marine & Dredging Ltd., Toronto.

A. L. QUINLAN
General Manager, McNamara Marine Limited, Toronto.

R. J. SCHNEIDER
Vice-President and Construction Manager, Canadian Dredge and Dock Co. Ltd., Toronto.

D. J. WATKINS, M.B.E.
Vice-President and General Manager, The Foundation Company of Quebec Limited, Montreal.

F. G. WILMOT
Manager, Contract Development, Mannix Co. Ltd., Calgary.

JAMES R. RIPLEY
Editor, *Engineering and Contract Record,* Toronto.

Department of Trade and Commerce

DAVID N. MOTT (secretary)
Commodity Officer, Engineering and Equipment Division, Ottawa.

The mission spent five days in Mexico City, meeting with government officials, engineers, architects and contractors. They were briefed by one of Mexico's leading corporation lawyers on current practice regarding foreign ownership of companies domiciled in Mexico. The Mexican Chamber of Construction Engineers entertained them at a luncheon where they met the president of the National Chamber of the Construction Industry and the Mexican Society of Architects put on a reception. They also met the Deputy Minister of the Department of Hydraulic Resources and the Deputy Minister of Public Works.

Mexico, they discovered, has a highly developed construction industry, capable of carrying out almost any required type of building, although marine construction has not received a great deal of attention. Mexican general contractors do much of their own subtrade work—plumbing, electrical work, etc. In many instances, there are no municipal building codes as there are in Canada.

Canadian firms, the mission decided, would be well advised to investigate the Mexican market thoroughly and either establish an office there or team up with a local firm in joint ventures. The latter method prevents problems resulti from differences in labour rates a productivity and in the availabil of construction materials. Sm firms, and larger ones which confi their activities to only one pha of construction, are more interest in joint ventures than are the mo versatile contractors.

Although the construction bu ness in Mexico is not boomin there is a sufficient volume of wo at a better gross margin than usual in Canada. The Mexic Government is expected to emba on an airport construction progra which, like road contracts, will l awarded to selected contractors a unit price basis, rather than adve tising for tenders. Mexico is al planning to build additional mul purpose hydro-electric projects meet the demand for power. World Bank loan of $15 millic has been obtained to finance co struction of a combined irrigatic and hydro-electric project in th northwest part of the country ar tenders from Canadian compani would be welcomed. PEMEX, th state-owned petroleum monopol plans a 200-kilometer gas pipelir from Gomez Palacio to Durang estimated to cost $2 million, an it also expects to build a $4 millic oil refinery at Mazatlan. Both o portunities will be open to Canadia firms who are prepared to find good Mexican partner to tend with them. The government has als formed an agency, Banco Nacion Hipotecario Urbano y de Obr Publicas, which handles a contin ing program of financing, plannin and erection of low-cost housing, i which Canadians might play a par

Guatemala

Both the Guatemalan Goverr ment and industry welcomed th mission warmly. Meetings got unde way early Monday morning, Fel ruary 27, and mission membe conferred with the President, th Minister of Communications an Public Works, and the Minister External Relations. An importar neeting was held with officials of YDEP, a semi-government agency esponsible for developing the El eten jungle area in northern uatemala. (Among its future plans s construction of a plywood plant.) he mission also met with officials f ICAITI (established by the nited Nations) whose job it is to nvestigate feasible industrial expansion in Central America.

The visiting Canadians were of he opinion that the Government ealizes that local contractors are ot fully capable of handling some f the larger civil engineering projcts, such as the hydro-electric deelopment on Lake Atitlan, roads, arge bridges, and water and sewerge systems for Guatemala City. nd it thought highly of our exressed intention of working with cal contractors. Apart from proosed additions to the Pan-Amerian Highway system, new housing nd commercial buildings are the hief concern in Guatemala.

Guatemala City, as the largest ity in Central America, would eem to be the ideal base for operaions throughout the area—in Costa ica, El Salvador, Nicaragua, Honuras, each of which has large ydro-electric projects on the drawng boards.

olombia

Meetings got under way in ogotá on March 2 and continued hrough until March 8. Mission embers met contractors, businessen, bankers, engineers and archiects. They had talks with the inister of Public Works and the inister of Development, during hich the long-range plans for e country's development were etailed, especially the plans for ydro power. Later they conversed ith the energetic officials of these epartments. Dr. Bernardo Garces, xecutive director of Corporacion utonoma Regional de Cauca (a VA-type project) and a McGill raduate, explained the engineering ossibilities and problems in Colomia, told how Canadians could get business, and explained specific future projects such as the Timba scheme, a $17 million flood control and power development.

The country is forward-looking and has rich agricultural, timber and mineral resources. Agencies of the Government are energetically planning to develop the Colombian potential.

Trinidad

Mr. John Mordecai, Deputy Governor General of The West Indies, graciously received the mission in Port-of-Spain and outlined the state of the economy for them. They then met with the Minister of Trade and Industry, the Minister of Finance, and Trinidad's Prime Minister, the Hon. Dr. Eric Williams. Members were able to establish working contact with firms in Trinidad, but by comparison with the other countries, they considered that the work available here was limited. The Government is, however, taking a great deal of responsibility for the development of medium and low-cost housing and is prepared to guarantee mortgage repayments for this.

Jamaica

Jamaica was the last stop for the mission. It arrived on March 13 and within an hour and a half was conferring with top officials of the architects', master builders' and engineers' associations. In the next three days, the members met with bankers, business and government officials, including the Premier of Jamaica and the Minister of Development and of Communications and Works.

The group's visit was well-timed. The Government is very much concerned with the Sandy Gully flood water scheme, a sewerage project for the City of Kingston, low-cost housing and, especially, additions to existing factory space. Jamaica badly needs factory space and more hotel accommodation. The Government is now preparing legislation which would provide a 15-year tax holiday on profits from buildings or the interest on money invested in such buildings. It is also prepared to guarantee mortgage payments on medium and low-cost housing.

Jamaica encourages Canadian builders to work there, provided it is on a continuing basis. Canadian firms would be well advised, however, to tender on projects in company with an experienced Jamaican firm.

Summing Up

What were the results of the mission? What did the members of it learn?

They returned convinced that the opportunity is there. Great efforts are being made in each country visited to expand the physical resources. Highways, power facilities, housing, utilities and industrial plant—all are needed and planned. However, money is short, nor is engineering and contracting skill yet equal, in many cases, to the problems facing it. Differences in labour rates and productivity and problems of building materials supply could beset the foreign contractor. Very often municipal building codes have not been formulated.

Against this can be placed Canada's qualifications and experience —and they will find a welcome. Canadian companies build better and faster and because of this, profits for everyone should increase. If there are special problems, there are also special rewards: profit margins are higher than in Canada.

How best to go about getting business? Mission members decided a certain formula generally applies: associate yourself with a local firm and submit joint tenders with it. Complementary undertakings, they felt, would benefit everyone and win Canada good friends.

Canadian firms may wish further information about this mission and the business opportunities it unearthed. They should write to David Mott, Engineering and Equipment Division, Department of Trade and Commerce, Ottawa. ●

Our Commercial Secretary in Mexico City, who is on tour in Canada this month, takes a look at Mexican industry, agriculture and trade in 1960 and at trading prospects for the months ahead.

Mexico Makes Progress

F. B. CLARK, *Commercial Secretary, Mexico, D.F.*

ECONOMIC activity in Mexico reached a high level in 1960 and the same favourable rate of growth is being sustained this year. The gross national product rose 5 per cent in real terms to a high of U.S.$10 billion, with industrial output accounting for most of the gain. Agricultural returns remained about the same, as unfavourable weather reduced the principal crops. Mineral production was affected by world market conditions.

The main economic groups registered the following increases in volume during 1960: mining 3 per cent, petroleum 6.5, manufacturing 9.5, construction 10, electricity 9, electrical power 9, transport and communications 8, commerce 6.5. Total fixed investments increased by 16 per cent to U.S.$1.3 billion, which represents 15 per cent of the gross national product.

Supported by added fiscal revenues and foreign credits, public expenditures rose by 27 per cent to a total of U.S.$698.6 million for the year. The development of basic industries accounted for 74 per cent and the bill for extensive social services required most of the remainder. Private investment advanced at a more moderate rate and was valued at U.S.$960 million; private investment in industrial ventures is expected to improve this year.

During most of the year the balance of payments showed a deficit; this was estimated at U.S.$100 million by August. The situation then improved, however, and by the end of the year payments and receipts were closely equated. The foreign exchange required for a significant rise in imports and the purchase of the two foreign-owned light and power companies was compensated by higher tourist revenues and long-term foreign loans. Most of these credits (which reached U.S.$330 million for the year) were offered by heavy equipment suppliers. Other loans were extended by the Eximbank, the World Bank, and private financial institutions in the United States and Europe.

Agricultural Picture

Delayed rainfall in 1960 reduced crops and pasture yields on non-irrigated acreage. Output of the two staple foods, beans and corn, was below normal but over-all production was considered adequate to meet domestic needs. Wheat production also decreased and some regional imports of cereals may be necessary. Anticipated higher returns from cotton caused a transfer of acreage to this crop, principally at the expense of wheat. Acreage seeded rose by about 25 per cent and the yield totalled approximately 2 million bales, 12 per cent above the 1959-60 season. Exports of cotton, Mexico's principal trade commodity, were slow in 1960 but showed signs of increasing at the year-end. Coffee production rose to slightly over 2 million bags, o which 1.4 million were exported Some reserves remain and this season's crop may be a bit smaller Sugar output was larger and with bigger sales to the United States production may increase again.

Livestock production receive considerable government assistance including credits for the improvement of herds and facilities Drought caused setbacks in pastures, particularly in northern areas and imports of animal feeds increased substantially. The Department of Agriculture is stressing th importance of livestock to the farm economy and will continue it efforts to expand the industry, particularly the raising of cattle, swin and sheep. On the other hand heavy imports of dairy products wool, hides and skins continue.

Forestry and Mining

To preserve the national fores resources, the Government cancelled several operating concessions Production of sawn lumber wa sufficient for the modest requirements of the domestic market bu exports dwindled.

Mining activity increased moderately over 1959 but lower worl prices discourage any sizable expansion plans. Lead and zinc outpu declined and exports were down per cent. Sulphur production wa down 3 per cent, as one of the fou operators closed down. Among th precious metals, gold production de clined and silver output increased slightly. A new Mining Law that "Mexicanizes" the industry took effect in February 1961. Existing concessions for the principal minerals—lead, zinc and copper—are now operated by United States companies but in the future concessions and tax benefits will be granted only to companies with 51 per cent Mexican capital.

Petroleum and Other Industries

Petroleum production increased 6.5 per cent over 1959, as Pemex (the government oil monopoly) is regularly drilling in proven areas. A new refinery located at Ciudad Madero was opened during the year and the natural gas pipeline to Mexico City is now being completed. Pemex is busy with a vast petrochemical program, with emphasis on the production of fertilizers and chemicals for detergents.

Manufacturing was up 9 per cent in volume last year, partly because of government financial assistance and an increase in private investment. Nacional Financiera (the Industrial Development Bank) is a financial partner in several enterprises that are termed basic producers. These companies, as well as private firms of certain industrial importance, are well protected from import competition by high duties and import controls.

The cost-of-living index in Mexico has edged up slowly since the base year, 1954, but a higher price rise was registered in 1960. Mexico City had a 7.5 per cent increase in the first 10 months of 1960. Increases in salaries are general and higher minimum wages were established throughout Mexico, with increases up to 21 per cent. Government employees received a general raise in salaries of 10 per cent, plus additional benefits.

Exports Steady, Imports Up

Mexico's exports have not kept pace with the rise in imports nor with the higher economic activity of the country. They reached U.S. $739.8 million in 1960, an insignificant increase over 1959. The principal Mexican exports—cotton, coffee, fresh fruits and vegetables, shrimp, cattle and minerals—were down in volume because of unfavourable prices in the international market. Cotton, the leader, was down to U.S.$158 million, a decrease of U.S.$55 million over 1959. Sugar exports to the U.S. soared, however, as Mexico received part of the former Cuban quota. The decline in exports by volume was offset by a rise of 4 per cent in export prices and the Government was heartened by a greater diversification in the products moving into foreign markets. More industrial goods and consumer products were included in total exports for 1960.

EXPORTS

	1959	1960
	(millions of $)	
Agricultural products	322.9	307.6
Cattle and apiary produce	50.3	46.1
Fisheries	40.9	36.2
Metals and concentrates	132.1	137.9
Petroleum and derivatives	28.6	19.8
Edible products	29.4	71.2
Textiles	29.9	33.6
Chemicals	14.1	16.0
Other	74.4	70.8
Totals	723.0	739.7

Mexican imports reached a record U.S.$1.18 billion in 1960, an increase of 18 per cent over 1959. Canada participated in this expansion as our exports rose to Can.$38 million compared with Can.$27.7 million in 1959. Capital goods accounted for U.S.$570.4 million and raw materials for industrial production were valued at U.S.$404 million, which together represent 82 per cent of the total. Principal capital goods imported included transportation equipment, hydro installations, and special machinery and parts for industry. Consumer products accounted for only 18 per cent of imports and a smaller share is expected this year as more local producers enter the market. The Government and its many agencies, corporations, etc., were responsible for U.S.$211 million of this import trade, 66 per cent more than in the previous year.

PRINCIPAL IMPORTS INTO MEXICO

	1959	1960
	(millions of dollars)	
Machinery installations	63.3	62.3
Automobiles	54.1	58.2
Machinery	39.6	52.3
Machinery parts	51.2	48.5
Tractors and parts	30.4	37.0
Trucks	36.4	36.0
Auto parts	23.9	29.5
Aircraft and parts	12.5	28.6
Fertilizers	16.6	24.6
Railway equipment	.3	22.3
Gasoline	18.5	20.4
Rubber, crude and synthetic	16.9	19.8
Iron and steel ingots	19.8	15.8
Newsprint	13.6	13.5
Industrial preparations	11.9	12.7
Railway cars	7.7	12.3
Resins	9.0	11.1
Iron/steel tubing, pipe	3.6	10.3
Wool	9.8	10.1
Animal feeds	6.0	9.9
Automobile motors and parts	6.3	9.9
Electrical machinery	7.4	9.2
Industrial equipment	5.4	8.5
Insecticides	9.3	8.5
Communication equipment	8.7	8.3
Gas, natural and artificial	5.8	7.7
Electrical motors and generators	4.4	6.7

Trade Outlook

A new policy on imports has recently been put into effect in order to strike a closer balance of trade in 1961 and succeeding years. The new law empowers the executive branch to assess the total amount of imports that can be permitted. Once this is established, quantitative restrictions will be imposed for each product group.

This change in policy should not seriously affect Canadian exports because most of our sales consist of primary materials for Mexican industry and certain specialized machinery, equipment and instruments the volume of which does not justify local production. It is expected that Canadian exports will again improve in 1961 and at least maintain this high level in 1962. ●

Sierra Leone: New African Nation

On the promontory on which Freetown, the capital, stands, the mountains rise to about 3,000 feet; the city also possesses one of the finest natural harbours in the world. Note the tin roofs, needed for keeping out rain during the long wet season.

Most Sierra Leoneans live on the land; many of them in round or square-roofed houses like these in Majihun village. Miles of thick bush surround this settlement but now a road has been cut through. Note the goats; the country has over 21,000.

O. MARY HILL, *Editor,* Foreign Trade.

SIERRA LEONE, the West African country that became independent on April 27, is best known to Canadian exporters as a market for wheat flour. Last year flour made up 91 per cent of the $641,000 worth of Canadian goods shipped there. To Canadian importers, Sierra Leone is familiar as a source of unground ginger, mainly for medicinal uses.

Although it is a small country, roughly the size of Ireland, and has only 2¼ million people, Sierra Leone possesses varied natural resources. Two of the minerals found there, diamonds and iron ore, have become important exports. Diamonds were discovered about 1930 along the upper reaches of the Sewa River and its tributaries; by 1958 diamond exports totalled £7.2 million. The Sierra Leone Selection Trust once held a monopoly of diamond mining but today its operations are limited to an area of 450 square miles. In certain other designated areas, Sierra Leoneans may mine diamonds under licence, but they must market them exclusively through the Government Diamond Office.

The large iron ore deposits near Marampa were first exploited in 1933 by the British-owned Sierra Leone Development Company, following the building of a railroad to Pepel, the nearest port. The larger part of the ore exported goes to the United Kingdom and the remainder to the United States and Western Europe; exports in 1958 reached 1.4 million tons worth some £4.5 million. Large additional ore deposits at Tonkolili will soon be mined if the company carries out its present plans; this expansion would, it is estimated, call for expenditures of between £20 and £25 million. Included in this figure is the cost of extending the present railway running to Pepel and enlarging the facilities at the port and installations at the mine—projects that may eventually offer opportunities for the sale of Canadian equipment.

A third mineral that figures among the country's exports is chrome ore, first mined about 1929. Shipments abroad of chromium ore and concentrates totalled about 5,000 tons worth £50,000 in 1959 (11,211 tons in 1958 worth £114,800). Altogether, minerals make up about two-thirds by value of Sierra Leone's exports. Soon another one will be added: a Swiss aluminum company which secured a prospecting licence in 1960 expects to begin mining bauxite soon.

Export Crops

Most of Sierra Leone's people make their living from agriculture, either by subsistence farming, by growing certain crops for export, or by a combination of the two. Most important of the export crops is palm kernels, with shipments worth £3.2 million in 1959. Next comes coffee, mainly Robusta plus some Liberica, with exports (chiefly to the U.S.) valued at £985,000 in 1959. Although cocoa-growing is not nearly as important as in Ghana or Nigeria, cocoa sales abroad brought in £701,000 in 1959. Less important are piassava (a palm fibre used for bristles) with foreign sales worth £237,000 in 1959, kola nuts (£112,000), and ginger (£103,000). Farmers raise most of these crops on small holdings.

Foreign Trade

Minerals and the agricultural products mentioned in the previous paragraph make up Sierra Leone's exports, which in 1959 totalled £16.4 million. The United Kingdom provided the main market, taking about 70 per cent of exports; next came the Netherlands, 14.6 per cent (mostly diamonds and cocoa) and West Germany, 7.9 per cent. In the first nine months of last year, exports rose to £21.2 million because of larger sales of diamonds. Imports, totalling some £23.5 million in 1959, consist chiefly of manufactures (especially cotton piecegoods), machinery, fuel oil, transport equipment, some foods, and cement. In the first three quarters of last year they reached roughly £19 million. The leading suppliers include the United Kingdom (43.9 per cent), Japan (9.5), Burma (5.1, chiefly rice), and Italy (4.8). Traditionally, Sierra Leone has a trade deficit and this is one of the problems that the new country will face. According to our Trade Commissioner in Ghana, in whose territory Sierra Leone is included, Canadians should be able to sell various consumer goods there, particularly in the lower priced lines, in addition to the wheat flour and canned salmon they are already shipping.

Early Settlers

Sierra Leone, or "Lion Mountains", was christened by a Portuguese who in 1460 explored this section of the West African coast and was struck by the lion-like shape of the mountains fringing the promontory on which Freetown, the capital, now stands. The name "Freetown" has deep significance because the colony was developed about 1787 as a home for freed slaves. Most of them came from England but some 1,200 arrived from Nova Scotia. This group was made up of slaves who had escaped from the American South and of negroes who had fought in the Revolutionary War.

These early settlers were known as "Liberated Africans" or "Creoles" and they settled mainly in or around Freetown. Today about 25 per cent of Sierra Leoneans are said to be descendants of these repatriates; the remainder belong to a number of African tribes. In addition, there are less than a thousand Europeans and North Americans and about two thousand Asiatics living in the country.

The new nation has already shaped plans for its development in the years ahead. Among these is the Guma Valley Dam, already under way but expected to take about four years to complete. It will provide 16 million gallons of water a day, some 12 million to be used for generating electric power. It will cost about £3.5 million and the Colonial Development Corporation and the Commonwealth Development Finance Company have agreed to provide £2.4 million.

The building of more roads and bridges also figures in these plans; about 12 bridges have been built in the last few years over the rivers that were the chief means of transportation in earlier days. The Government also expects to provide special incentives for the setting up of new industries and agricultural enterprises and wishes to attract foreign capital, preferably in partnership with local interests.

Sierra Leone has made rapid progress along the road to independence in the postwar years. In 1951, it was granted a new constitution and two years later, the first African Ministers were appointed. Further constitutional advances were made in 1958 and an all-African Executive Council was instituted. Now Sierra Leone has become, like Ghana and Nigeria, a sovereign West African state and a member of the Commonwealth. ●

A villager who belongs to one of the over 328 cocoa co-operatives in Sierra Leone brings some of his crop to the village courthouse to be weighed. The Produce Marketing Board is the sole cocoa exporter and the producers are represented on it.

Canadian Poultry Delegation Stud

The Members Learned that

—there is a big market in Western Europe for eviscerated poultry but not much demand for canned chicken.

—United Kingdom importers are interested in canned chicken and precooked chicken.

—demand for whole turkeys comes only at Christmas time, but there is a demand for turkey parts the year round in West Germany.

—the markets are all highly competitive and Canada's best chances of obtaining a share of the business lie in supplying a high-grade product, packed according to the market specifications, with the hope of obtaining a small premium.

—prospects for selling shell eggs in any of the markets visited are negligible at present but it might be possible to sell egg products.

R. W. BLAKE, *Acting Director, Agriculture and Fisheries Branch.*

A Canadian delegation went to the United Kingdom and Western Europe in February and March to study the possibilities of marketing Canadian dressed poultry and egg products in those areas. The members, three from the poultry industry and two from Federal Government departments, were:

H. J. HELLER, General Manager, Foreign Trade Division, Canada Packers Limited, Toronto.

OLIVER GRIGNON, Chief of Poultry Services, Legrade Incorporated, Montreal.

W. J. LANDRETH, General Manager, Canadian Poultry Sales Limited, Winnipeg, and President of the Canadian Produce Council.

R. W. BLAKE, Acting Director, Agriculture and Fisheries Branch, Department of Trade and Commerce.

A. D. DAVEY, Director, Poultry Products Division, Canada Department of Agriculture.

United Kingdom

The purpose of the delegation's visit to the United Kingdom was to explore the market for Canadian canned and cooked poultry, shell eggs and egg products, as well as to examine the situation on import controls on frozen fresh poultry.

Imports of Canadian uncooked poultry are prohibited entry into the United Kingdom because of the prevalence of Newcastle disease i Canada. This disease is also presen in the United Kingdom. The polic for its control there, however, i wholesale slaughter of all poultr in the area where an outbreak occurs, and the Government ha placed this ban on imports of uncooked poultry from countries having the disease in an effort to cu down the sources from which i might be introduced.

The slaughter policy has been costly one without much advance i controlling the disease. For the pas year, a special committee has bee studying the problem to determin whether control by vaccination, a carried on in North America an other countries, would be mor suitable than slaughter, which i not only expensive but disrupt production schedules. The recommendations of this committee ar expected to be made know shortly.

Even if the United Kingdom doe change to the vaccination method thus removing the principal objection to imports of foreign uncooked poultry, it does not mean that the prohibition would be lifted and unrestricted imports would be permitted. This is a matter which would have to be studied in conjunction with the interests of its own poultry producers.

Canned and Cooked Poultry—The prospects for selling canned and cooked poultry in the United Kingdom show some promise. We received favourable comments on the high quality of samples of canned chicken that had been sent to England in advance of our arrival, and the prices quoted were interesting enough to prompt inquiries. Interest was also shown in chicken cooked and packed in transparent material, and arrangements have been made to send a quantity of

ropean Markets

s to the United Kingdom to test ide and consumer reaction.

gs and Egg Products—At the esent time, the prospects for sellg shell eggs and egg products in e United Kingdom are negligible.

estern Europe

The best markets in Western rope for Canadian suppliers of iscerated poultry are West Gerny and Switzerland, where poul meat is just emerging from the xury class of food and consumpn per capita has risen from a v pounds per year only a few ars ago to between 10 and 12 unds at the present time. These untries are producing less than lf of their requirements of poultry eat and there is keen competition nong exporting countries to supy this huge and growing market. ports in 1960 into West Gerny and Switzerland totalled apoximately 400 million pounds; e Netherlands, Denmark and the ited States were the main supers. Since 1958 the United States s increased its exports to Western rope from about 20 million unds to over 100 million in 1960. ports from the Netherlands, Denrk and Poland have also ineased sharply in volume, with aller quantities being supplied by ier European countries.

oilers, Fryers, Turkeys—Broiler oduction in West Germany and itzerland has increased tremenlusly in the past few years and e governments of these countries e assisting producers through subies and other means to increase oduction further and improve ality in order to obtain a larger are of this growing market. Hower, with consumption steadily risg each year, there will likely be lemand for imports for some time come. If Canadian suppliers can produce the type of bird required at a competitive price they should be able to obtain a share of this market. The demand is mainly for fryers and broilers weighing from 1½ to 2½ pounds with a smaller demand for fowl from 2½ to 4 pounds.

Turkey consumption is confined mainly to the Christmas season and a light, 8 to 14-pound bird is preferred, although the market will take a small quantity of birds up to 18 pounds. The reason for the preference for lighter birds is that they are practically all consumed at home, with no apparent demand from the hotel or restaurant trade. Not once in the delegation's travels through Europe did we see turkey on the menus in hotels or restaurants. There is a good demand in West Germany for turkey parts the year round, mainly thighs and drumsticks. Imports of these parts are prohibited in Switzerland.

Calibration and Packing—Special attention is given to the calibration of shipments of poultry to West Germany and Switzerland. Calibration refers to the system of standardizing the weights of the birds in a carton with a tolerance of only two ounces from the average weight marked on the carton. The average weight of the cartons may vary but an importer wants to be able to place an order for a ton of poultry in cartons weighing, say, 10 kilograms, with the average weight of the birds all the same (with the two ounce tolerance) or a ton of 11-kilogram cartons, and so on. This is because poultry is sold by the piece and not by weight and it greatly facilitates invoicing and shipping if the wholesaler's stocks are separated into the weights required before he receives them. Denmark and the Netherlands have conformed to this practice and the United States is rapidly approaching standardization of shipments.

It should also be noted that importers like to have poultry from overseas packed in strong cartons firmly strapped to avoid pilferage, which can be serious and can cause a lot of inconvenience in claiming for the losses incurred. Imports from neighbouring European countries suffer less from this hazard because handling is reduced to a minimum and more control is possible.

Eggs and Egg Products—Canada has shipped eggs and egg products to parts of Europe in the past and may be able to do so again sometime in the future, but there are no prospects for selling Canadian shell eggs in Western Europe at the present time. The prospects for some egg products are more encouraging because Communist China, who was the largest supplier, no longer exports these products and prices are coming more into line with Canadian quotations. Several inquiries have been referred to Canadian producers.

Competitors Visited

The purpose of the delegation's visit to the Netherlands and Denmark was to study production, processing and marketing methods for eggs and poultry in these countries which, apart from the United States, are our chief competitors and supply the bulk of Western European requirements.

The Netherlands and Danish poultry industries are linked very closely to the export markets which take the major part of their production of both eggs and poultry. They have made great progress in producing the kind of birds in demand and in processing and packaging eviscerated and semi-eviscerated poultry to suit their customers.

Their proximity to West Germany and Switzerland gives them an advantage over overseas suppliers because orders can be received by telephone one day and the goods can be delivered by truck the next. This assures customers of an almost fresh product which the housewife prefers to the frozen product. Producers in these two countries have another advantage —they have been able to plan their production schedules to coincide with the low production period in Germany and Switzerland, thus assuring themselves good prices because export demand is high at the time when their own production is at its peak.

Quality Compared

The quality of dressed poultry seen in the United Kingdom and Western Europe was, with very few exceptions, not considered equal to the best that can be obtained in Canada. Despite the empha placed on price by the importe the delegation feels that Canadi suppliers should only ship a hig grade product for which they mig obtain a small premium. Attracti packaging is a selling feature, a strict attention must be paid the packing specifications of t market. ●

FAIRS AND EXHIBITION

West Indies Trade, Industry on Show

CARIBBEAN Exhibition 1961, an industrial and cultural exhibition in Barbados, will be held June 2-10. It will feature the trade, industry and culture of the West Indies, although exhibitors from other countries will be welcomed. Increased trade and greater industrial development are the aims of the exhibition organizers—the Barbados Junior Chamber of Commerce. To entertain visitors, it has arranged shows by Barbadian and other West Indian dancers, singers and steel bands, fashion shows, films, and boxing and weight-lifting exhibitions. Inquiries should be addressed to the Chairman, Exhibition Committee, Barbados Junior Chamber of Commerce, 209 Russell House, Broad Street, Bridgetown, Barbados, W.I.

Canada Goes to West Africa

THE Canadian Government will take a trade fair to West Africa early next year and exhibit it in two countries. It will open first at Accra, Ghana, from January 17 to 27, 1962. Then there will be an interval of about two weeks during which Canadian businessmen taking part can make further contacts and study the market firsthand. The fair will re-open in Lagos, Nigeria, from February 14 to 24. Applications for space and requests for further information should be directed to the Chief, Trade Fairs Abroad Division, Department of Trade and Commerce, Ottawa.

It will be the first time that Canada has exhibited in West Africa. A geodesic dome will form the central section of the exhibition, providing space for a government display and information centre. Separate structures will be built in which Canadian firms can show their products, distribute samples and sell goods. The Canadian Government will pay for shipping the displays to West Africa, setting up exhibits, etc.; participating firms are asked merely to get their produc to an assembly point in Canada and to man the booth A vigorous advertising and publicity campaign wi support the project and special attractions at the fai grounds will ensure a large attendance. The weather i West Africa at the time of year chosen is usually war and dry.

Since Ghana and Nigeria gained their independenc their economies have expanded, exports have increase and imports risen. Progressive economic policies ha been instituted. English is the language of business an dollar exchange is freely available, though the currenc is sterling. Import controls, except on a few commod ities, were taken off in both countries in 1959, and a exporting nations now compete there on equal term Both countries are moving toward industrialization an Canadian participation in this should mean growin markets. Demand for consumer goods is already on th increase. An office of the Canadian Trade Commissioner Service was opened last fall in Lagos.

In 1959 Ghana, with a population of four to fiv million, imported goods valued at Can.$316 million Nigeria, with a population of 35 million, importe $502 million; Canada's share in each market wa small. Public development projects have been inaugurated in both countries and should in Ghana produc a market for motor vehicles and parts, machiner building materials, fertilizers and insecticides. Nigeri whose per capita income increases by 2½ per cent year, requires cement, roofing materials, railway rollin stock, telecommunications cables and oil-prospectin gear. Our Trade Commissioner suggests that there i also a market for many kinds of electrical appliance

The techniques of selling in West Africa, with it distinctive trading pattern, relatively low incomes, man illiterate consumers and strong brand loyalty, wil bably be new to many a Canadian exporter. But e the peculiarities of the market are understood, he uld be able to increase his sales. Opportunities pear best for consulting engineering and contracting vices; aerial surveys; lumbering and mill supplies; ning, heavy electrical and street-cleaning equipment; nsportation and telecommunications equipment; agri- tural machinery; aircraft—and other requirements developing economies.

ckaging Industry Exhibits

E biannual International Packaging Exhibition, ndon, is the largest of its kind in the United King- n and will be held this year from September 5-15. itors come from every branch of industry, and in 59 from 64 countries of the world; they are nearly trade buyers. The fair helps promote the use of kaging materials such as paper, wood and plastic, well as packaging equipment. Over 300 exhibitors play new methods, new machinery, designs and terials. The market for these products in the United ngdom alone has become increasingly important as stages of industry and all connected with distribu- n come to apply the new packaging techniques.

Canada enters the fair for the first time this year. r display occupies 1,600 square feet and will show resentative products from the different segments of packaging industry, such as various grades of paper l paperboard, waterproof kraft, and laminated plas- plastic bags and liners, silverware wrapping, gift apping papers, bakery packaging, household rolls l refills, garbage and utility bags, gummed paper l pressure sensitive tapes, labels and display mate- ls; folding cartons of all sizes, telescopic boxes and ueeze bottles; wood veneer baskets, boxes and ham- s and plywood packing cases.

n another section, visitors will be able to see Cana- n machines in operation: a tea bag forming and kaging machine which will dispense tea bags to itors; a butter-wrapping machine (and beside it, ontinuously operating movie showing buttermaking Canada); a vacuum forming machine for making ister packages", a packaging process originally used consumer goods but now popular for many other es of products too.

The Canadian exhibit is being sponsored by the partment of Trade and Commerce and has been signed by the Exhibition Commission.

nada Exhibits in Poland

NADA will enter the Poznan International Fair, land, (June 11-25) this year for the fifth time. The r is essentially an industrial one, heavily participated by Communist Bloc and Western European coun- es.

Once again, Canada's presentation (sponsored by the Department of External Affairs) will concentrate on two products of our economy, giving them the maximum benefit of colourful presentation. Aluminum will be seen this year as a raw material, as it is used in industry, and as it may be used in the future as a result of research discoveries. Consumer goods made of aluminum (such as kitchen utensils, foil, tools and toys), an outboard motor, and aluminum construction industry products have gone into the display. The story of the industry in Canada will be told by means of dioramas and photographs, including diorama models of Kitimat and Kemano. A huge aluminum ingot weighing over a ton will face the entrance.

Asbestos is the other basic commodity selected for display. Asbestos ore samples will be freely distributed and samples of fireproof wearing apparel will be shown.

Several hundred consumer catalogues from Canadian mail-order houses are being sent to the fair for free distribution, along with 10,000 maps of Canada contributed by the Department of External Affairs. Atomic Energy of Canada Limited will again show its Gammacell.

Half Canada's exhibit space, which totals 350 square metres, is attractively laid out as a motion picture theatre where films showing scenes from Canadian life, history and industry are run continuously throughout the day.

Around the Fair World

BAKING—Euroba II, Bakery Exhibition, Brussels, Belgium, October 20-November 12. Apply: Salon de l'Alimentation et des Arts Menagers, 10 Place de Broucker.

CONSUMER GOODS—World Trade Fair, Peabody, Mass., September 13-23. Apply: J. O'Boyle, Sales Promotion Manager, Northshore Shopping Centre, Peabody, Mass., U.S.A.

DO-IT-YOURSELF—9th International Handicrafts and Do-it-Yourself Exhibition, London, August 31-September 16. Apply: A. J. Kreps, Link House, Store Street, London, W.C. 1, England.

GENERAL—International Samples Fair, Barcelona, Spain, June 1-20. Apply: Feria Oficial e Internacional de Muestras en Barcelona, Palacio No. 1, Avenida de la Reina Maria Cristina, Barcelona, Spain.

TELEVISION—First International Festival of Television Arts and Sciences, Montreux, Switzerland, May 15-27. Apply: Festival Committee, 8 Grand Rue, Montreux, Switzerland.

Revisions have been made in the control system which Venezu
introduced last November to halt the steady decline in its fore
exchange reserves. This article from our Caracas office expla
the new regulations.

W. D. WALLACE, *Commercial Counsellor, Caracas.*

Venezuela Amends Foreign Exchange Controls

VENEZUELA introduced a foreign exchange control system by Decree No. 390 of November 8, 1960, (see "*Foreign Trade*" of January 14, 1961), in an effort to halt the steady decline in the country's foreign exchange reserves. On the basis of experience gained during the four months that the system was in operation it became evident that a large number of revisions were necessary. These were made through Decree No. 480 of March 17, 1961, which was modified by Decree No. 492 of April 6, 1961.

The new decree and its regulations are administered by the Exchange Control Office of the Central Bank of Venezuela. Foreign exchange will no longer be allocated to the commercial banks on a regular monthly quota basis, but will be provided in each instance on the approval of the application for a foreign exchange licence. Virtually all of the foreign exchange income derived from exports and from receipts of registered foreign capital brought into the country for investment is for the account of the Central Bank of Venezuela. Through a system of prior import permits and licences for foreign exchange, the Central Bank will make foreign currency available at a controlled rate of exchange for some 2,500 import commodities. Controlled exchange will also be provided for official government payments, for freight and insurance payments, for outstanding debts from import contracts prior to November 8, 1960, and for imports made between November 8, 1960, and March 19, 1961. Controlled exchange will also be provided for amortization of registered foreign capital invested in the country, and its dividends, interests, gain and
real estate rentals, and for cert
students abroad. Exchange for
mittances abroad for all other p
poses may be obtained in the f
market.

Two forms of exchange rates
continue to exist in Venezuela,
official or controlled exchange r
and the "free market" exchar
rate. The controlled market ra
which the Central Bank will prov
under Section 11, Article 35 of
Central Bank Law, will be set fr
time to time by the Venezuel
Ministry of Finance. The other r
is the "free market" rate which
established daily by the Cent
Bank, and which at present is a
proximately Bs.4.65 to the Unit
States dollar.

Prior Import Permits

The Ministry of Finance has
sued a list of some 2,500 iten
known as the "List of Imports
the Controlled Market", for whi
a prior import permit is requir
from the Exchange Control Offi
and for which foreign exchange
the lower controlled market ra
will be approved. The permit w
be granted prior to date of shipme
of the merchandise from a forei
port. This does not affect the a
ready existing requirements for
import licence for certain commod
ties under import control in Ven
zuela. In these cases both the impo
licence and the prior import perm
are required.

Merchandise imported by a
transport, whose f.o.b. value po
of shipment does not exceed U.
$2,000 or its equivalent in othe
foreign currencies, is exempted fro
a prior import permit, as are me
chandise imports made by othe
means whose c.i.f. value Venezuela

t does not exceed U.S.$2,000.
tial shipments to evade the prior
port permit requirements will not
permitted.

The import permits will be valid
a period of 180 days, no matter
at the country of origin, port of
pment, or method of dispatch of
merchandise may be. The per-
can be extended for 60 days if
pment cannot be made because
reasons beyond the importer's
trol. For reasons of *force*
jeure the permit may be ex-
ded.

The Exchange Control Office can
use to grant import permits if the
porter is in arrears with the pay-
nt of collections at a fixed term
istered with the Exchange Con-
l Office and originating from
or imports. The loss of the right
obtain new import permits will
come effective 15 days after the
llection becomes due. The sus-
nsion will not apply if document-
y evidence is given which satisfies
Exchange Control Office that
collection could not be paid due
pending settlement of a justified
im concerning the import in-
lved.

If the Board of Directors of the
ntral Bank of Venezuela deems
necessary, it has authority to
tend the prior import permit re-
irements to products for which
yment is made at the free market
e of exchange. In addition, if the
ard of Directors of the Central
nk of Venezuela deems it neces-
ry, it may require importers of
ntrolled imported merchandise to
posit a partial or total equivalent
bolivars of the value of the im-
rt at the time of applying for
prior import permit. Such de-
sits will be frozen by the bank,
thout interest, and shall be ap-
icable as payment of the draft or
l covering the merchandise, upon
rival of the same.

cences for Foreign Exchange

The granting of a prior import
rmit for items on the controlled
port list does not guarantee that
reign exchange will be granted to meet the payment of these imports. In addition to the prior import permit, it is necessary for the importer to apply for a licence for the purchase of the foreign currency. Once the merchandise or the covering documents (sight draft, debit note for letter of credit, open account draft, bank guarantee for merchandise with no documents, bill of exchange for merchandise on consignment, and bills of exchange for items exempt from prior import permit) have arrived, the importer, through the bank assigned in the import permit, must apply to the Exchange Control Office for the licence for purchase of foreign currency. The documents required for this application are a copy of the bill of exchange, an original consular invoice, and an original commercial invoice. These documents will be returned to the bank or the importer when the exchange licence is issued in order that the importer may clear the merchandise through customs.

Letter of Credit and Advance Payment

The regulations provide for the opening of letters of credit to be paid in controlled market exchange after the prior import permit has been approved. For making disbursements representing payments made in advance for imports of merchandise, the Exchange Control Office will grant controlled market exchange only when the application and terms of payment have been previously authorized by that office, and such payments are for the import of machinery and industrial equipment and spare parts.

Freight and Insurance Payments

Foreign exchange for freight and insurance payments at the controlled rate of exchange will be made available for items on the controlled list of imports. The Exchange Control Office has ruled, however, that these payments will only be made in Venezuela. This means that the freight and insurance charges for controlled imports cannot be included in the drafts or cheques to the order of beneficiaries abroad. Such freight and insurance costs will be paid directly by the importer in Venezuela in local currency to the shipping and insurance companies. They, in turn, will apply to the Central Bank of Venezuela for the foreign currency for the net percentage which they actually must remit abroad, after the local expenses in Venezuela have been deducted. Should it become necessary to issue regulations requiring prior import permits for items imported at the free market rate of exchange, then a similar procedure will be followed for the freight and insurance on these items.

Foreign Capital, Loans and Investments

Foreign exchange at the controlled market rate will be made available for payments of amortization of foreign capital entered and invested prior to November 8, 1960, and its dividends, interests, gain and real estate rentals, (not including royalties), provided they have been registered with the Exchange Control Office in conformity with the regulations of Foreign Currency Control Decree No. 390 of November 8, 1960. Similarly, for payments on foreign capital invested after November 8, 1960, exchange will be granted if the capital has been registered in conformity with the same decree. If the investments are made in the form of machinery, equipment, implements, raw materials, and other items of a similar nature, then the registration will be made on the proven value of the imported items. In no case, however, will failure to register be an obstacle to capital entering the country through the free market, nor to obtaining free market foreign exchange for the payment of interests, dividends, or refunds of such capital.

Outstanding Debts

Foreign exchange for payments of debts from imports of merchandise made prior to November 8, 1960, will be permitted at the controlled rate of exchange, but these debts must be registered by the importer with the Exchange Control Office not later than April 20, 1961. For debts originating from imports of Merchandise made between November 8, 1960, and March 19, 1961, foreign exchange will be granted at the controlled rate, but the debts must be registered not later than May 5, 1961.

Free Market Exchange

Foreign exchange, which is not required to be sold to the Central Bank of Venezuela, may be sold in the free foreign exchange market. The Central Bank of Venezuela and other commercial banks are authorized to participate in the free exchange market and may buy and sell on their own behalf or that of their clients. The Board of Directors of the Central Bank is authorized to establish an exchange stabilization fund and to announce at the beginning of each business day a free market rate of exchange at which the commercial banks may purchase free market exchange from the Central Bank. Free market exchange may continue to be purchased and sold on the Caracas Stock Exchange. This latter rate varies with the supply and demand of foreign exchange, but is expected to remain close to the free mar rate set by the Central Bank.

Additional changes in the r regulations will be reported as th come into effect. A list of the co trolled import items is on file w the Department of Trade and Co merce. Canadian export firms wi ing to have information on pr ucts on the import list, as well further clarification and inform tion, should get in touch with Latin American Division, Int national Trade Relations Bran Department of Trade and Co merce, Ottawa, or the Commerc Counsellor, Canadian Embas Apartado 11452 Este, Carac Venezuela.

COMMODITY NOTES

Aircraft

MEXICO—A new company, Lockheed Azcarate, S.A., has begun production of a small, five-passenger airplane called the LASA 60.

The new firm, situated in San Luis Potosi, will produce everything but the motor and the propeller. It has a capacity of six airplanes per week, most of which will be exported—Mexico City.

Aluminum Extrusion Billet

UNITED STATES—A $2 million expansion of facilities to produce extrusion billet is under way at the Kaiser Aluminum & Chemical Corporation plant at Chalmette, Louisiana; it is expected to be completed this year.

The plant's capacity for casting high-quality billet will be increased by approximately 50 per cent. A 30,000-square-foot building is being built to house the addition, which will include holding and charging furnaces, a direct-chill casting unit, and accessory equipment.

Direct-chill casting is an operation in which molten aluminum is fed into vertical moulds and cooled rapidly by water sprayed on the outer surface of the moulds and cast billet—New Orleans.

Asbestos Cement

NIGERIA—Nigeria's first asbestos cement factory was opened in March at Ikeja near Lagos. The factory is owned jointly by the Western Region Governmen Development Corporation, Belgian and Italian Etern interests, and the local trading firms of Paterso Zochonis & Co. Ltd., and John Holt & Co. (Liverpoo Ltd. It appears that the Eternit group will exerci effective control.

Asbestos Cement Products Nigeria, Ltd., will man facture corrugated sheets, flat sheets, soil and rainwat pipes, water tanks and sundry moulded pieces. Whe in full operation, 8,500 square yards of asbestos ceme sheet will be produced per day—Lagos.

Carbon Black

VENEZUELA—The United States Export-Impo Bank has granted a $1.4 million credit to the Neg de Humo Venezolano (NEGROVEN), an affiliate the United Carbon Company, Houston, Texas, to equi a carbon black plant to be built in Valencia, Venezuel The loan is repayable over four years, beginning 1963—Caracas.

Cobalt

AUSTRALIA—A new plant to process Australia cobalt ore is being established at Cloncurry, Queens land. Australian Cobalt Deposits Ltd., Sydney, ha announced the investment of A£100,000 in faciliti designed to produce 360 tons of cobalt in the first thre ars after operations begin in July of this year. Initial itput is planned at two tons per week to meet Ausalian needs; export to the United States and Japan expected later.

Private miners will supply the ore from the Mt. obalt area, about 83 miles away, at prices varying om A£10.1.0 a ton for 2 per cent ore to A£24.6.0 r 4 per cent ore, with increases of A£5 for each er cent of ore above the latter—Sydney.

otton Textiles

NDIA—During 1960, India's exports of cotton texles declined by approximately 15 per cent, from 814.6 illion yards to 694.8 million yards. Good prices, articularly in Asian and African markets, kept the alue unchanged at 547 million rupees. This compares ith only 412 million rupees in 1958.

There were interesting changes in the pattern of xports: shipments to the U.K. climbed from 166 milon yards to 198 million yards, and exports to the udan dropped from 150 million to 62 million yards. anada, British West Africa and Ceylon all increased eir imports from India, but Burma, British East frica, Malaya and Singapore, Ethiopia, and Aden ought less. The over-all reduction is said to have een a result of the general decline in world trade 1960—Bombay.

ylon

EXICO—A new company, CICLOAMIDAS, S.A., as been formed with a capital investment of 120 illion pesos subscribed by three nylon manufacturers —Celanese Mexicana, S.A., Celulosa y Derivados, .A., and Nylon de Mexico, S.A. The purpose is to roduce domestically the basic materials required by hese three firms, thus integrating the nylon industry Mexico—Mexico City, D.F.

aper

WITZERLAND—A Swiss firm recently demonstrated new paper made from synthetic rather than cellulose bres. The paper is said to show resistance to acids nd alkalies, folding, and absorption of water. It will e used to print maps, identity cards, passports, and r other uses requiring paper with special qualities —Berne.

NDIA—A new company, Ashok Paper Mills Limited, ill erect an integrated paper mill at Rameshwaranagar the State of Bihar. Production will begin in 1963 ith an initial capacity of 15,000 tons a year of writing nd printing papers, based mainly on bagasse and amboo with some sabai grass.

The French firm, Messrs. Compagnie Generale de Materiels et Matieres Premiers pour les Industries de la Cellulose (COGEMIC), will supply equity capital mounting to about $600,000. The French engineering and consulting firm, Messrs. Etudes et Materiels pour l'Industrie du Papier et de la Cellulose (EMPACEL), will supply the major portion of the plant as well as looking after design and layout. Machinery worth $5 million will be imported from France with deferred payments extending for five years after the last shipment. United States equipment worth $1 million will be financed by the Export-Import Bank with repayment to be made in local currency—New Delhi.

Pesticides

PORTUGAL—Companhia Portuguesa dos Petróleos BP, S.A.R.L., has been authorized to set up a department at its Cabo Ruivo works, Lisbon, to prepare and manufacture biological and chemical products for animal, agricultural and forest protection. The company, with the assistance of its associates, is under obligation to manufacture the raw materials or basic ingredients as soon as is feasible—Lisbon.

Steel

SWEDEN—Sweden's steel production totalled 2.8 million tons in 1959, double the 1950 figure, and in 1960 increased further to a new peak of 3.2 million tons. The rate of increase during the past decade parallelled that in the European Coal and Steel Community, but was less than that in the Soviet Union. Output in the 1959-65 period will rise by 63 per cent, it is estimated.

The Swedish steelworks plan to invest an average of Kr.330 million a year in new plant and machinery during the first half of the 1960's, and Kr.250 million a year during the last half. These figures are lower than the Kr.400 million average for the past two years.

Most of the investment in the metallurgical departments of the steelworks will be used to expand capacity for steel produced by the oxygen method. In Sweden, the Kaldo method has been epoch-making in this field. The oxygen process is expected to account for 22 per cent of the output in 1965 as compared with 4 per cent in 1959—Stockholm.

Wire and Galvanized Products

COLOMBIA—A Bucaramanga factory will begin production of wire and galvanized products early in 1962. It will make wire in sizes 18 to 26, and also for the manufacture of nails. Approximately $570,000 will be invested in the plant. Output is expected to reach 25 tons a day—Bogotá.

Wood Pulp

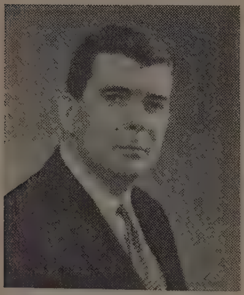
UNITED STATES—Bowater Carolina Corporation, one of the major shippers through Charleston, South Carolina, more than doubled its exports of wood pulp through that port in 1960 with a total of 95,085 long tons, 48,870 long tons more than in 1959—New Orleans.

TRADE COMMISSIONERS ON TOU

In Canada

F. B. Clark

M. R. M. Dale



J. G. Ireland

F. B. CLARK, Commercial Secretary in Mexico City:

Montreal—May 1-9
Quebec—May 10
Fredericton—May 11
Saint John—May 12
Halifax—May 15-16
St. John's—May 18-19
Toronto—May 23-30
Fergus, Kitchener—May 31
Guelph, Galt—June 1
Brantford—June 2
Hamilton—June 5
St. Catharines, Welland—June 6
London—June 7
Windsor—June 8
Winnipeg—June 13-14
Regina—June 16
Saskatoon—June 19
Edmonton—June 22
Calgary—June 26
Vancouver—July 3-7

M. R. M. DALE, Trade Commissioner in Cape Town, South Africa:

Ottawa—May 10-12
Windsor—May 15
Sarnia—May 16
London—May 17-18
Brantford—May 19
Galt, Kitchener—May 23
Guelph, Fergus—May 24
Hamilton—May 25
St. Catharines—May 26
Toronto—June 5-16
Peterborough—July 3
Ottawa—July 4-14
Montreal—July 17-28

J. G. IRELAND, Assistant Commercial Secretary in Rome, Italy:

Ottawa—May 8-19
Montreal—May 23-26
Toronto—May 29-June 2
Winnipeg—June 5-6

Businessmen who wish to see these officers should ge touch with the Board of Trade or Chamber of Commerc the cities mentioned, with the following exceptions. In Toro Winnipeg and Edmonton, the Trade Commissioners m their headquarters at the offices of the Canadian Manufactu Association; in Windsor, Ontario, at the offices of the Gre Windsor Industrial Commission; in St. John's, Ottawa Vancouver, at the Department of Trade and Commerce, Victoria at the Department of Trade and Industry, and Fredericton at the Department of Industry and Developm

In Territory

G. E. BLACKSTOCK, Vice Consul and Assistant Trade C missioner in New Orleans, will visit Greenville in So Carolina, and the Winston-Salem, High Point, Greensh triangle of North Carolina from May 22-27. From May June 3, he will visit Charlotte in North Carolina, and Colu bia and Charleston in South Carolina. If necessary, Mr. Bla stock can be reached through the Chambers of Commerce these cities.

W. G. BRETT, Assistant Commercial Secretary in Pa France, will tour the French Community countries in Afr from April 10-May 12. His itinerary covers Nouakchott, F Gouraud and Port Etienne in Mauritania; Dakar in Seneg Conakry, Guinea; Bamako, Mali; Abidjan, Ivory Coast; Lon Togo; Cotonou, Dahomey; Ouagadougou, Volta; Niam Niger.

C. M. FORSYTH-SMITH and C. J. SMALL, Trade Co missioners in Hong Kong, will visit the following cities Communist China from the middle of May to the first we in June: Canton (they will attend the Spring Fair), Pekir Tientsin, and Shanghai.

P. A. FREYSENG, Assistant Commercial Secretary in Vienn Austria, will visit Belgrade and Sarajevo in Yugoslavia fro May 15-20.

T. F. HARRIS, Consul and Trade Commissioner in Ne Orleans, will visit Houston, Texas, during the third week May.

R. K. THOMSON, Commercial Counsellor in Vienna, Austri will visit Zagreb, Ljubljana and Rijeka in Yugoslavia fro May 15-20.

Businessmen who would like these officers to underta assignments should get in touch with them at their posts soon as possible. Write to Mr. Blackstock and Mr. Harris New Orleans, Mr. Brett at Paris, Mr. Forsyth-Smith and M Small at Hong Kong, Mr. Freyseng and Mr. Thomson Vienna.

Index to *Foreign Trade*

The index to Volume 114 of Foreign Trade, coveri *the issues from July 2, 1960, to December 31, 196 has now been printed. Readers who wish to have copi should write to the Editor.*

FOREIGN TARIFFS AND TRADE REGULATIONS

uador

IOR DEPOSITS RE-ESTABLISHED FOR ALL PORTS—Ecuador has reimposed prior deposit uirements for both essential and unessential imports. ice last December all imports had been freed from prior deposit requirements.

Under the new regulations, announced March 8, ducts included in List I, essential imports, will be ject to a prior deposit of 25 per cent, and products luded in List II, unessential imports, to a prior osit of 50 per cent of the c.i.f. value.

At the same time, Ecuador has transferred some 150 ns from Import List I to Import List II. Imports ssed in List I can be purchased at the official change rate of approximately 15.15 sucres to the nadian dollar. Imports in List II must be purchased the fluctuating free exchange rate of approximately .40 sucres to the Canadian dollar. In addition, List I ports continue to be subject to a stamp tax of 5 per t and List II imports to a stamp tax of 10 per cent the c.i.f. value.

It is stated that the re-establishment of prior deposit uirements and the transfer of a wide range of items m List I to List II is designed to reduce the recent h rate of imports which has contributed to a drop Ecuador's exchange reserves—Guayaquil.

exico

PORT TARIFF CHANGES—The Acting Comrcial Secretary in Mexico City has reported that, virtue of a number of Presidential Decrees pubhed in the April 8 issue of the official government zette, changes have been made in the Mexican import iff which affect approximately 600 items, or about per cent of the total. The changes consist of raising ad valorem or specific duty rates, establishing a her official valuation for duty purposes, or a comation of these.

Duty rates on many types of machinery, equipment l parts, including some farm implements and tracs, are increased. The duty for one livestock category higher, but this does not affect purebred livestock. creases in duties for certain specialty steels, chemis, acids and drugs were also announced. However, duties on the whisky items were reduced.

Although most of the changes increased the customs ties, it is not expected that the increases to date will affect significantly Canada's share in the Mexican market. There are no preferential rates in the Mexican tariff schedule, so the changes will apply equally to imports from all countries. However, as the revisions are part of an over-all program to reform the existing tariff, additional major changes may be expected in the future. Increased protection and a stimulus for industry, and the establishment of specific items to cover every type of import were given as the basic principles underlying the reform. Previously, many imports unspecified in the tariff have been subject to the lower rates of the "basket" items.

New Zealand

REPLACEMENT LICENSING SYSTEM CANCELLED—The New Zealand Government has announced that licences issued under the replacement licensing system were suspended on April 13. Firm specific orders placed and accepted before April 13, in anticipation of automatic further licensing under the replacement system (but not minimum quantity agreements, annual requirement, production allocations, or standing orders), will be covered by special licences for which applications are required before the end of April. However, items which were in both the 1960 and 1961 import schedules qualify for additional 1961 import licences to a maximum total value equal to 1960 imports of the same items.

New importers' allocations under the replacement licensing category which have not been acted upon are cancelled.

This tightening of import licensing applies only to the replacement licensing system; there has been no change in the quotas for goods imported under other categories.

Information on individual products can be obtained from the Commonwealth Division of the International Trade Relations Branch.

United States

SPECIAL IMPORT FEES ON FLAXSEED AND LINSEED OIL TERMINATED—The President issued a proclamation on April 5, 1961, eliminating the special import fees on flaxseed and on linseed oil that were imposed in 1953 under Section 22(d) of the Agricultural Adjustment Act.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tel
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary	Canadian Embassy Bartolome Mitre 478 Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Phone:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road South Melbourne	*Mail:* (City Address) *Cable:* Canadian *Phone:* 61-3473
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle Canberra	*Mail:* (City Address) *Cable:* Domcan *Phone:* U-1304 *Telex:* CBA C217 (Domcan CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 Vienna 1	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 57-25-97 *Telex:* 1-3380 (Domcan Vienna)
Belgium Luxembourg, European Economic Community, European Atomic Energy Community, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science Brussels 4	*Mail:* (City Address) *Cable:* Canadian *Phone:* 13.38.50 *Telex:* 0-2613 (Domcan BRU)
Brazil	Wm. Jones Commercial Counsellor Malcolm Rowan Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Phone:* 42-4140 *Telex:* Rio 175 (Dominion Rio)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Phone:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Phone:* 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Phone:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 Bogota	*Airmail:* Apartado Aereo 8582 *Surface Mail:* Apartado 1618 *Cable:* Canadian *Phone:* 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er Leopoldville 1	*Mail:* Boîte Postale 8341 *Cable:* Canadian *Phone:* 2706 *Telex:* Leo 68 (Domcan Leo)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Cuba	P. A. Savard Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 Copenhagen V	*Mail:* (City Address) *Cable:* Canadian *Phone:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde Ciudad Trujillo	*Mail:* Apartado 1393 *Cable:* Canadian *Phone:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne Paris 8e	*Mail:* (City Address) *Cable:* Canadian *Phone:* BALzac 99-55 *Telex:* 2-0600 (Domcan Paris)
Germany Federal Republic	J. A. Stiles Commercial Counsellor W. J. O'Connor Assistant Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse Bonn	*Mail:* (City Address) *Cable:* Canadian *Phone:* 21971 *Telex:* 886421 or 886422 (Domcan Bonn)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse Hamburg	*Mail:* (City Address) *Cable:* Canadian *Phone:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. Accra	*Mail:* P.O. Box 1639 *Cable:* Canadian *Phone:* 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. Athens	*Mail:* (City Address) *Cable:* Canadian *Phone:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I Guatemala City, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* Canadian *Phone:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau Port au Prince	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Phone:* 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone & T
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Uruguay Paraguay Falkland Islands	Blair Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Phone:* 96096
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West Indies (Jamaica) Bahamas, British Honduras	H. E. Campbell Canadian Government Trade Commissioner C. G. Bullis Assistant Trade Commissioner	Barclays Bank Building King Street Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Phone:* 2-2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.012018.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent April 24	Units per Canadian dollar	Notes (See belo
Argentina	Peso	Free	.01197	83.54	
Austria	Schilling		.03789	26.39	
Australia	Pound		2.2105	.4524	
Bahamas	Pound		2.7631	.3619	
Belgium and Luxembourg	Franc		.01973	50.68	
Bermuda	Pound		2.7631	.3619	
Bolivia	Boliviano	Free	.00008649	11,562.03	
British Guiana	Dollar		.5756	1.74	
British Honduras	Dollar		.6908	1.45	
Brazil	Cruzeiro	Free	.003504	285.39	
		Special Category	Auctions suspended temporarily	Auctions suspended temporarily	
		Official selling			
Burma	Kyat		.2075	4.82	
Ceylon	Rupee		.2072	4.83	
Chile	Escudo	Free	.9393	1.0646	
Colombia	Peso	Certificate	.1475	6.78	
Congo, Republic of	Franc		.01973	50.68	
Costa Rica	Colon	Official	.1760	5.68	
		Controlled free	.1486	6.73	
Cuba	Peso		.9881	1.01204	tax
Czechoslovakia	Koruna		.1372	7.29	
Denmark	Krone		.1431	6.99	
Dominican Republic	Peso		.9881	1.01204	
Ecuador	Sucre	Official	.06588	15.18	
		Free	.05778	17.31	
Egyptian Region, United Arab Rep.	Pound	Official	2.8375	.3524	
		Export account selling	....	....	
El Salvador	Colon		.3953	2.53	
Fiji	Pound		2.4893	.4017	
Finland	Markka		.003088	323.83	
France, Monaco, etc.	New Franc		.2015	4.96	
Franco-African Republics, etc.	Franc		.004030	248.14	
French Pacific	Franc		.01108	90.25	
Germany	D Mark		.2489	4.02	
Ghana	Pound		2.7631	.3619	
Greece	Drachma		.03293	30.37	
Guatemala	Quetzal		.9881	1.01204	
Haiti	Gourde		.1976	5.06	
Honduras	Lempira		.4941	2.02	
Hong Kong	Dollar	Free*	.1692	5.91	*Apr
		Official	.1727	5.79	
Iceland	Krona	Official	.02600	38.46	
India	Rupee		.2072	4.83	
Indonesia	Rupiah	Official	.02196	45.54	
Iran	Rial		.01304	76.66	
Iraq	Dinar		2.7668	.3614	
Ireland	Pound		2.7631	.3619	
Israel	Pound		.5490	1.82	
Italy	Lira		.001592	628.14	
Japan	Yen		.002745	364.30	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent April 24	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3104	3.22	
Mexico	Peso		.07905	12.65	
Morocco	Dirham		.1976	5.06	
Netherlands	Florin		.2750	3.64	
Netherlands Antilles	Florin		.5240	1.91	
New Zealand	Pound		2.7631	.3619	
Nicaragua	Cordoba	Effective buying	.1497	6.68	
		Official selling	.1402	7.13	
Nigeria	Pound		2.7631	.3619	
Norway	Krone		.1381	7.24	
Pakistan	Rupee		.2072	4.83	
Panama	Balboa		.9881	1.01204	
Paraguay	Guarani	Official	.007842	127.52	
Peru	Sol		.03694	27.07	
Philippines	Peso	Free	.3294	3.03	
		Official	.4941	2.02	
Portugal & Colonies	Escudo		.03449	28.99	(8)
Singapore and Malaya	Straits Dollar		.3224	3.10	
Spain and Dependencies	Peseta		.01647	60.72	
Sweden	Krona		.1913	5.23	
Switzerland	Franc		.2286	4.37	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04679	21.37	(7)
Tunisia	Dinar		2.4011	.4165	
Turkey	Lira		.1098	9.17	(7)
Union of South Africa	Rand		1.3816	.7218	
United Kingdom	Pound		2.7631	.3619	
United States	Dollar		.988125	1.012018	
Uruguay	Peso	Free	.09016	11.09	(9)
Venezuela	Bolivar		.2950	3.39	(10)
West Indies Fed.	Dollar		.5756	1.74	(11)
	Pound		2.7631	.3619	(12)
Yugoslavia	Dinar	Official	.001318	758.72	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. For imports of wheat, newsprint and petroleum, the exchange is fixed at Cr.200 to U.S. dollar.
3. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
4. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
10. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

The U.S. Lumber Market in ’61

H. J. HORNE, *Consul and Trade Commissioner, Chicago.*

RESIDENTIAL housing starts in the United States declined by almost 16 per cent in 1960, but Canadian lumber exports fell by only 1 per cent. Continuing demand by other wood-consuming industries prevented what could have been a drastic reduction in our lumber exports to this important market. U.S. lumber production in 1960 was estimated at 35.5 billion board feet, down about 4 per cent.

Official Forecast

The outlook for 1961 lumber sales appears favourable. Barring unforeseen events, United States residential housing starts in 1961 should increase at least modestly. If, as anticipated, there is further active government action and if the expected upturn in the U.S. economy comes before mid-year, the increase could be substantial. The result would be heavier demand for building materials, including Canadian lumber.

The United States Department of Commerce forecasts that in 1961:

- Lumber production will rise moderately.
- Wooden pallet production and sales in 1961 will parallel those in 1960.
- Production of wooden boxes will not exceed the 1960 output.
- Shipments of wood furniture will about equal those of last year.
- Use of lumber by railroads, both for maintenance and repairs and for new car construction, may decline somewhat.
- U.S. lumber exports will be about the same as or slightly above the 1960 figure.
- Production by the hardboard industry (an estimated 2,100 million sq. ft. of $\frac{1}{8}$″ or equivalent in 1960) will probably increase about $2\frac{1}{2}$ per cent, roughly equal to the record high of 1959.
- Particle board production, which in 1960 fell 16 per cent to an estimated 250 million sq. ft. of $\frac{3}{4}$″ or equivalent, is expected to rise to at least 298 million square feet, the record established in 1959.
- Output of the softwood plywood industry is expected to achieve a 15th consecutive record, with production exceeding slightly that of 1960.

Evaluation of these factors indicates a probable net gain in lumber demand.

In non-residential building, which apparently uses more Canadian lumber than is generally estimated, 1960 set a new all-time record. Industrial, commercial and educational building in 1961 is expected to continue to rise. Consumption of Canadian lumber in this field should at least equal that of 1960, and if there is no drop in the U.S. total output of goods and services, it should increase.

Trade Commissioners Report

Canadian Trade Commissioners recently surveyed their territories to discover the probable market for Canadian lumber in the United States. Details of their findings and their forecasts for the coming year can be obtained by writing directly to them. A brief summary of their forecasts for 1961 are:

New York: “Slow for the first three or four months of 1961, with a buyer’s market, then a pick-up activity if housing starts increa as predicted.”

Boston: “General prospects 1961 appear promising, particula for hardwood dimension stock.”

Detroit: “The lumber business 1961 will pick up slightly, but w some areas spotty.”

Chicago: “An over-all increase between 5 and 10 per cent is fo cast.”

New Orleans: “Considerable qua tities of unsold new houses in t territory predicate a slow start 1961 and any increase in lumb sales will depend on how quick these are sold.”

Seattle: “Prediction is that in 196 Washington construction will r ahead of the national average.”

Los Angeles: “Good sales of har wood components and dimensi stock and an increase also in t demand for glued-up stock is t forecast.”

As part of the Governmen trade promotion on behalf of t Canadian lumber industry, pa ticipation was again arranged the National Association of Hon Builders’ Show in Chicago. Can dian producers, wholesalers and e porters are urged to follow up th promotion by visiting the marke —there is no effective substitute f personal calls on buyers and i creases in sales invariably resu The Canadian Trade Commi sioners stationed in the Unite States welcome letters, telephon calls and personal visits from Ca adian lumber exporters and w assist them in every possible way.

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India and the Five Year Plans 3

When Gerald Newman went to New Delhi last fall as Commercial Counsellor, he at once began a study of India's Five Year Plans, key to her economic advance. Here he discusses the achievements of the first two and the blueprint for the third—all with Canadian interests in mind.

How India Controls Imports 10

Canadian exporters who feel that the shortage of foreign exchange and the strict import controls prohibit them from selling in India may find, on studying this analysis of the complex licensing system, that their products stand a chance of entering this billion-dollar market.

Pakistan Makes Progress 13

Next September our Commercial Counsellor in Pakistan will be making a tour of Canada and talking to businessmen about opportunities there. Meantime, he outlines the country's current problems, explains the import licensing system, and defines the product fields in which Canadians might compete.

Ceylon Alters Its Trade Policy 16

Steps taken to halt rapid decline in foreign exchange reserves, such as import controls, higher tariffs, encouragement of foreign investment, have affected foreign trade; the author explains how and why.

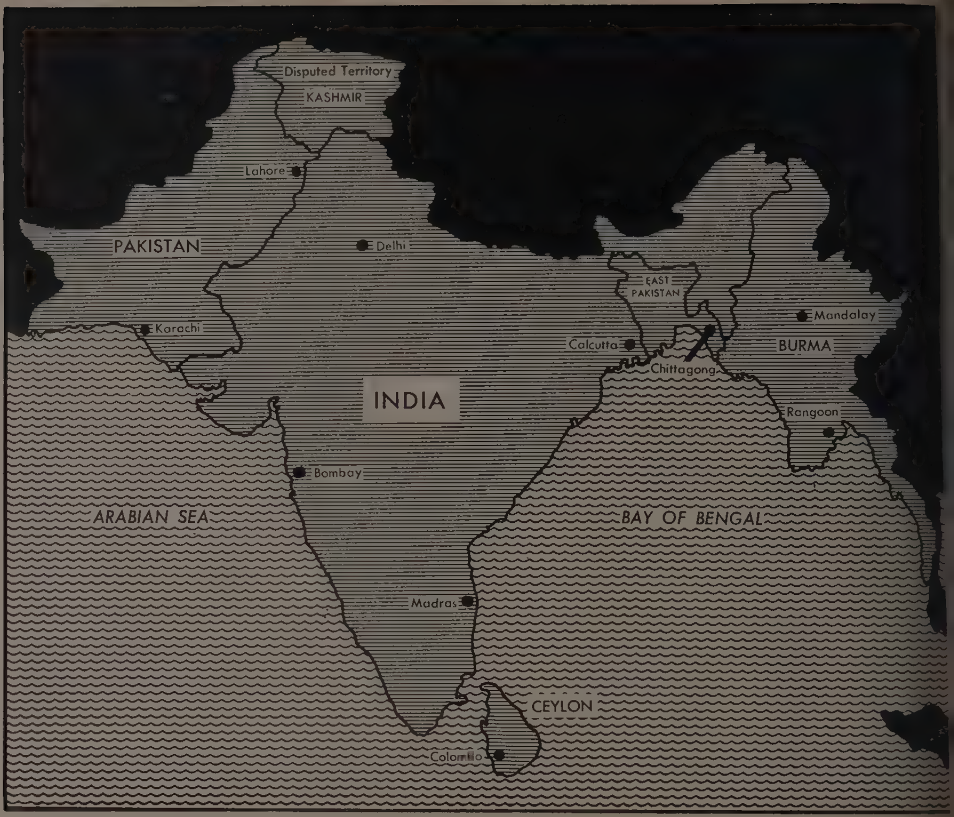
Burma Diversifies Economy 23

It is becoming easier to obtain import licences for goods that Canada can supply, though the many demands on foreign exchange limit opportunities, which are further curtailed by bilateral trade and payments agreements.

India Encourages Joint Ventures 6
India Expands Fertilizer Industry 8
Institutions Engaged in Overseas Credit and Financing Operations 19
Import and Exchange Regulations in Burma, Ceylon, India, Pakistan 25
Shipping Services to Ceylon, India, Pakistan 27
Japan Announces Import Budget 28
Canada Buys Egyptian Peanuts 29
The South African Market 31
Assistant Trade Commissioners Posted 40

Advertising Abroad 18
Canada in Foreign Markets 37
Commodity Notes 35
Foreign Exchange Rates 38
Foreign Tariffs and Trade Regulations 26
General Notes 32
Markets in Brief 30
Trade Commissioners on Tour 34

COMING——TRADING WITH THE SOVIET UNION, IN THE JUNE 3 ISSUE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India and the Five Year Plans

Last month India launched the third of its Five Year Plans. A knowledge of its objectives and of how it is to be financed is, says our author, indispensable to the Canadian businessman who wants to do business there in the next few years.

G. A. NEWMAN, *Commercial Counsellor, New Delhi.*

April 1, 1961, India began the d of its Five Year Plans. In ten s, the implementation of the Year Plans has so dominated economic and social life of the ntry and India has so grown olitical importance that the suc- or failure of the Third Plan is atter of deep significance to the ld and to Canada.

o bring the Third Plan into spective, here are some of the blems that India has been seek- to overcome through the me- n of these plans.

ore the Plans

n 1951, the planners were con- nted with the world's second est population (now about 423 lion) increasing at the rate of er cent a year. Agricultural pro- tivity was low. Seventy per cent he population lived in some 50 lion farms and 500,000 villages, ere the hazards of uncertain nsoons, floods, drought, locusts, nitive farm methods, insecurity land tenure, lack of credit and rketing facilities, poor seed and leted soils prevented food pro- tion from keeping pace with an anding population that de- nded about one million addi- nal tons of foodgrains a year. ree million tons of foodgrains l to be imported every year.

On the industrial side, India was ploying some two million people 6,000 factories—processing or ricating jute, cotton, wool and , carpets, sugar, glass, paper, nent, steel, some engineering ducts, and consumer goods; many others were employed in handicrafts, particularly in weaving. But for the most part, India was obliged to rely on high-cost fabricated imports to be paid for in agricultural products such as tea, jute, cotton, spices, hides and leather, and some minerals and ore.

The Indian Government therefore announced that it was the intention of the Five Year Plans to increase the per capita income in the course of 25 years from $60 to $110, to raise the standard of living, create more jobs, reduce illiteracy and disease, improve transportation, and provide the country with modern tools for industry.

What Two Plans Achieved

In the First Five Year Plan, the Government endeavoured to ensure sufficient food and consumer goods to permit concentration on industrial development in the Second Plan. The latter concentrated on the establishment of basic industries and the provision of employment outside of agriculture. About five billion dollars was spent on the

If You Want to Sell in the Indian Market . . .

1. Obtain information on Third Five Year Plan and study what imports the projects under the Plan require.
2. Become familiar with the Indian Government's rigid import licensing system.
3. Secure a good agent or agents in India who will cover the major commercial centers and keep you informed of prospects under the licensing system.
4. Investigate possibility of supplying capital goods or engineering knowhow under tenders put out by the Indian Government.
5. If you are marketing engineering services, make arrangements with an Indian firm to look after your interests.
6. Include India on a personal visit to study markets in Asia.
7. Plan your visit for the winter months, October to March, and avoid the hot weather.

First Plan and ten billion on the Second.

The results have been encouraging. Over the past ten years, real income has risen about 30 per cent (or 3 per cent a year) but because the population has grown from 362 million in 1951 to 423 million in 1960 (or 17 per cent) the expansion of per capita income has been less than 1½ per cent a year.

The Minister of Finance, in his budget address on February 28, 1961, reported that agricultural production had risen by about 33 and industrial production by about 66 per cent. Industrial production in the first ten months of 1960 achieved a record increase of 11.5 per cent over the corresponding period of 1959.

Three new steel plants have been brought into production in the past ten years and existing facilities expanded, bringing Indian steel production in 1960 to 2.2 million tons, with 3.5 million anticipated for 1961. Output of coal has climbed to 51 million tons from 47 million in 1959. Expansion has been significant in power and transport and development marked in industrial machinery, pulp and paperboard, chemicals, cement, general and electrical engineering goods, and transport equipment. A rough indication of this progress is given in Table I which shows comparative production figures in selected fields.

These figures are suggestive. A Canadian visiting India receives the impression of an industrial boom such as the United States and Canada experienced at the turn of the century. The establishment of basic industries has stimulated interest in many ancillary activities, most of which call for foreign collaboration in some form or other. The impa of such activity is most obvious i major commercial centers, whe new plant and plant sites are takin shape on their outskirts; consum purchasing capacity also gives som evidence of improvement. But th is only visible in the commerci centers. The evidence fades in th villages and farms. Here the qui effort in education, in improve agricultural practices, and in irriga tion and use of fertilizers is goi on steadily but the subsistence lev has not changed appreciably.

TABLE I—INDIA'S INDUSTRIAL PRODUCTION

Product	Unit	1951	1959
Aluminum	thousands of tons	3.8	16.4
Steel ingots	millions of tons	1.3	2.3
Cement	millions of tons	3.2	6.6
Electric power	billions of kwh.	5.9	14.5
Automobiles and trucks	thousands	22	36
Nitrogenous fertilizers	thousands of tons	61	
Jute manufactures	millions of tons	.09	1.1
Cotton textiles	billions of yards	4.1	5.0
Paper and paperboard	thousands of tons	134	275
Electric wire and cable (ACSR and AAC conductors)	thousands of tons	1.7	22
Sewing machines	thousands	30.8	290
Sulphuric acid	thousands of tons	99.1	315.5

TABLE II—FINANCIAL REQUIREMENTS OF THIRD FIVE YEAR PLAN

	Investment—Plan III (in millions of rupees)			Foreign Exchange Requirements	
	Public	Private	Total	rupees (million)	dollars (million)
Agriculture and minor irrigation and community development	6,750	8,000	14,750	750	150
Major irrigation	6,400		6,400		
Power	9,250	500	9,750	2,700	540
Village and small industries	1,600	2,750	4,350	11,900	2,380
Industry and minerals	15,000	10,000	25,000		
Transport and communications	14,500	2,000	16,500	3,000	600
Social services	6,500	10,750	17,250	800	160
Inventories	2,000	6,000	8,000		
Total	62,000	40,000	102,000	19,150	3,830

Objectives of Third Plan

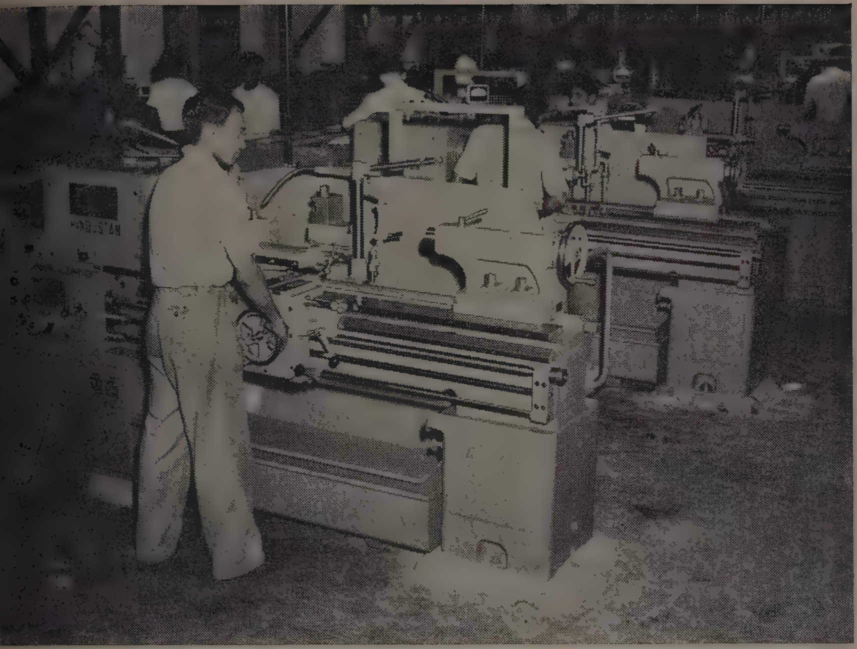
From the immediate experienc of ten years of planning, the Go ernment of India concluded that th essential aims of the Third Fiv Year Plan should be:

- A rise in national income of ove 5 per cent a year.
- Self-sufficiency in foodgrains an increase in agricultural productio to meet the requirements of industry and exports.
- Expansion in basic industries lik steel, fuel and power, and machine building capacity, so that the re quirements of further industrialization can be met within ten years o so and mainly from the country' own resources.
- Utilization to the fullest extent o manpower resources. The hope i for 14 million new jobs, of whic 3.5 million would be in agricultur and the remainder in industry, commerce and services.
- To bring about a reduction o inequalities in income and wealt and a more even distribution o economic power.

The expression of these aims i terms of financial allotments in th Third Five Year Plan and th amount of foreign exchange involved is expressed in Table II.

Foreign Aid Vital

The main difference between th Second and the Third Five Yea Plans is the outright reliance o



The First and Second Five Year Plans have seen India make striking progress in building an industrial economy. Setting up of basic industries has been accompanied by the establishment of allied types of manufacturing. For example, the picture shows finished lathes turned out at the Hindustan Machine Tools Factory at Bangalore.

foreign aid embodied in the Third Plan. This has become a matter of necessity, with India's foreign exchange reserves at a commercial minimum of $314 million.

It is estimated that the total requirements of external assistance for the Plan amount to Rs.2,600 crores*, broken up as follows:

	(in crores)
1. To cover the excess of payments over receipts	Rs. 500
2. Machinery and equipment for projects in the plan	1,900
3. Components, intermediate products, etc., for increasing the production of capital goods within the country	200
Total	Rs.2,600

To this total of Rs.2,600 crores has to be added the value of foodgrains to be received from the United States under PL 480, estimated at Rs.608 crores.

Since the inception of the Five Year Plans in 1951, foreign aid authorized to India by various countries as at December 1960 totalled Rs.209,157 lakhs† in loans and Rs.63,621 lakhs in aid, as follows:

	Loans (in lakhs of rupees)	Aid (in lakhs of rupees)
United States	97,464	50,568
U.S.S.R.	38,341	115
United Kingdom	16,266	47
CANADA	1,571	9,057
Australia		1,227
New Zealand		343
West Germany	15,058	209
Japan	2,761	
Czechoslovakia	2,310	
Rumania	523	
Yugoslavia	1,905	
Norway		219
Poland	1,430	
International Bank for Reconstruction and Development		
a. for public sector	21,944	
b. for private sector	9,584	
Ford Foundation		1,420
U.N. Special Fund		416
Total	209,157	63,621

It is significant that Canada is practically the only country whose assistance is preponderantly given in the form of aid rather than loans.

The terms of the loans varied from country to country and time to time. A rather common pattern, however, was the deferring up to five years of initial payments, with part of the loans being repaid in semi-annual or annual instalments in two to five years and the balance in semi-annual payments up to 15 years. Rates of interest varied between 4½ to 6 per cent a year.

The direct impact of such loans is reflected in the presence of three new steel plants, financed by the United Kingdom, West Germany and U.S.S.R.; hydro-electric projects such as Kundah (under Canadian aid); transport equipment machinery; expansion of mining development; tool factories; heavy machinery plants; irrigation projects; cement plants; fertilizer plants; and a wide range of other projects.

Consequently, loans and aid secured from the various countries have already had a very marked effect in providing a foundation of industrial development. This foundation is already being built upon and companies from a number of countries are beginning to participate in the private sector in the form of joint company ventures with Indian firms. (See article on this topic on page 7 in this issue.)

Canadian Trade Prospects

Canadian trade prospects in India depend upon the degree to which they meet India's needs under the Third Five Year Plan.

India's exports cannot begin to supply the exchange needed to pay for the steadily expanding imports of machinery and industrial materials essential to the success of the Five Year Plans. Frank reliance on foreign aid therefore requires that all foreign exchange be used only to meet the rigorous demands of development.

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*One crore=10 million rupees.

†One lakh=100,000 rupees.

The Indian Government has been and is enforcing rigid import controls that restrict overseas purchases to essential raw materials, capital goods and components, basic foods and defence stores. (See article on page 10 of this issue.)

Most consumer goods and any article which is not essential are prohibited, as are an increasing number and range of products now being produced or manufactured in India. The possibility that a better product at a lower price might be obtained abroad is of no great significance in the intense desire of the Indian Government to conserve foreign exchange.

For the same reason, India has entered into a number of barter deals, particularly with the Soviet Union and its satellite countries, on the basis of rupee exchange. It has accepted tied loans and encouraged joint company ventures, whereby the overseas firms supply the know-how, equipment and foreign exchange (to cover the foreign component cost), usually under long-term repayment arrangements.

The range of goods that now can be supplied to India is thus closely identified with the Five Year Plan requirements. But there are opportunities for an aggressive trade effort on the part of Canadian firms engaged in the export of industrial raw materials, components, some capital goods, engineering services and defence stores.

An examination of the estimated requirements of India's needs under the Third Five Year Plan and the present rate of supply give a useful indication of some opportunities for Canadian exporters.

In addition, there are perhaps short-term opportunities in products being turned out in increasing volume in India, but which do not yet meet expanding consumption. Among these products are aluminum, nitrate fertilizers, rayon goods, wood pulp, newsprint, synthetic rubber, special alloy and tool steels, and certain industrial chemicals.

NON-FERROUS METALS

	Imports 1959	Estimated requirements 1961-66
	(in long tons)	
Copper (approx.)	50,000	170,000
Zinc	48,000	150,000
Lead	24,000	55,000
Asbestos	23,000	at least double
Sulphur	137,000	500,000
Nickel	1,000	double or triple
Potash	20,000	200,000*

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*Consumption target 1961-66.

Watch Market Carefully

Because all imports are subject to import licences, usually issued to established users, Canadian firms should keep strict watch on licensing prospects through the services of a local Indian or other agent covering the major commercial centers of Calcutta, Bombay, Madras and Delhi.

There is the occasional prospect for the sale of capital goods and engineering services through responding to Indian Government tenders which are regularly submitted to the Department of Trade and Commerce, Ottawa. Any Canadian engineering firm seriously interested in Indian opportunities would be well advised to have its principals visit India to assess personally the implications of these new developments and take steps to have its interests maintained through some local arrangements.

It should be borne in mind that the subcontinent of India is readily accessible by air and in a way that permits the covering of other attractive markets at the same time. Thus, including India in a first-class round trip by air from Montreal to Tokyo requires only a modest increase in cost—and India can be quite comfortable during the winter months of October through March. ●

India Encoura Joint Ventu

G. A. NEWMAN,
Commercial Counsellor, N

Collaboration between a foreign and an Indian firm in industrial projects often provides the only way in which, under present circumstances, exporters can do business in India. The Indian Government offers special incentives for these arrangements.

HANKS TO disciplined progress nder two Five Year Plans and the dvances expected under the Third lan that began in April of this ear, India is midway between *aid* nd *trade* in economic development nd commercial prospects. The olombo Plan, the Development oan Fund, International Bank oans and other forms of economic d have contributed significantly this progress. More assistance om these sources is expected durg the Third Five Year Plan; of e proposed expenditures of about 21 billion, about $5 billion is excted to be contributed under rious forms of aid.

The effort made during the First d Second Plans has drained Ina's foreign exchange reserves to crucial low at a time when her ports are running well over exrts. These exports follow an tablished agricultural pattern of a, cotton, jute and similar prodts, and it will be some years yet fore the country's large resources coal, iron ore, bauxite, chromite, ., can figure fully in export trade. eanwhile, imports of industrial uipment and materials are ineasing under the Five Year Plans.

Jint Ventures Encouraged

The Indian Government is liged, therefore, to restrict purcases made with foreign exchange those products that will contribe directly to the furtherance of t Five Year Plans. For the same son, it has been encouraging, h considerable success, collaboion between Indian and foreign estors. Thus the basic requirent for any new company—or, for t matter, the expansion of any sting company—is that the proal involve manufacture that will rease productivity in an importt economic field, impart techniskills, increase employment, and either save or earn foreign exchange.

The area of private industrial development has been marked out fairly clearly from those industrial projects for which the Government, by socialistic inclination and of necessity, takes direct responsibility. The latter comprises most of the heavy industries, mining, power and transport. Private industrial development is encouraged to concentrate on an extensive range of products, of which some of immediate interest are fertilizers, agricultural equipment, machine building and tools, light electrical manufacturing, alloys and special steels, power equipment, switchgear, conveyors and construction machinery, a wide range of machinery, pulp and paper machines and plants, chemicals, plastics, glass products, and rubber goods. These items are suggestive and by no means definitive, for the fact is that in nearly every type of manufacturing that conforms to the basic requirements there are opportunities for collaboration with Indian investors or companies.

Obligations of Foreign Firm

Bearing in mind India's need to conserve foreign exchange, the foreign firm seeking to enter the Indian market in collaboration with an Indian company is expected to provide the equipment and know-how that may be required from overseas and, even more important, to provide the foreign exchange to pay for it. The Government of India favours arrangements where machinery, etc., involving foreign exchange is part of the capital participation, and where the earnings of the company can be relied on to provide interest payments and ultimate repayment of any loans that may be involved. This, of course, implies that the loans are long-term ones and made at as low a rate of interest as possible.

At first sight, this latter requirement may appear to be a deterrent to joint company ventures in India. The fact is, however, that during the first nine months of 1960 the Government of India is reported to have approved 279 joint ventures with overseas companies (either new industries or expansion of existing ones). This represents a marked increase over previous years, in which there was a smaller though steady growth.

Inducements Offered

From the point of view of the foreign company, there are a number of attractions in joint ventures which minimize the sometimes involved and tedious procedures required to comply with government controls. For one thing, any joint venture company which does become established in the Indian market is almost automatically protected from other overseas competition by import licensing controls, under which goods available locally will not be licensed for import. Secondly, an industrial licensing system restricts the introduction of a new plant, or the extension of an established one, in those fields in which production is considered adequate. The combination tends to provide almost a monopoly in a steadily expanding market. And even though the Indian authorities, under the Government's Industries and Regulations Act 1951, can investigate and give direction to most industries which they believe are not conducting their operations in the public interest, still the profits permitted and the tax and other incentives extended are usually regarded as encouraging. From the strictly foreign trade point of view, an arrangement of this type offers about the only prospect for export to India on a commercial basis of equipment, materials and technical knowledge. From a national point of view, any long-term loans provided to cover such arrangements are likely to be self-liquidating—and this is a step forward from any strictly aid programs.

The tax incentives offered include liberal depreciation allowance, a tax holiday for new industrial undertakings, exemption from supertax on inter-corporate dividends in certain industries, and development rebates.

All details about these incentives, the procedures to be followed in making application to the Indian authorities for approval of joint ventures, and other relevant information on investing in India have been clearly set out by the Government of India in a booklet entitled *Investing in India* and in another publication, *India—Guide for Foreign Investors,* issued by the Federation of Indian Chambers of Commerce and Industry. An Indian Investment Centre in Delhi als provides details on foreign inves ment procedure. Any Canadian fir which desires further details on suc matters, however, would be we advised in the first instance to g in touch with the Canadian Con mercial Counsellor, Office of th High Commissioner for Canada, 1 Golf Links Area, (P.O. Box 11 New Delhi 1, India. ●

India Expands Fertilizer Industry

Need to grow enough food for a mushrooming population has meant greater emphasis on manufacture and consumption of fertilizers. In a two-part article, the author describes India's plans to expand fertilizer production and consumption and opportunities for Canadian chemical equipment, engineering services, potash, and sulphur.

J. R. MIDWINTER, *Assistant Commercial Secretary, New Delhi.*

INDIA'S population passed 400 million in 1959 and is still growing rapidly. By 1966 the Government's Central Statistical Organization expects it to reach 480 million. During the next several years, therefore, India must somehow find enough food to sustain an additional 80 million persons. No conceivable volume of imports can do more than supplement the basic need for greater production. The problem is critical and unless it is solved, could cripple the whole economic development program.

Recognizing this, the Indian Government has set ambitious targets for agriculture in the country's Third Five Year Plan. Over the five-year period, 1961-66, the Plan aims at increasing agricultural output as a whole by 30-33 per cent. Foodgrains (cereals and pulses) receive the heaviest emphasis; by 1965-66 the planners hope to achieve a production of 100-105 million long tons (the 1959-60 crop was 71.75 million long tons). This would cope with the increase in population, allow a modest improvement in per capita consumption to 15 ounces of cereals and 3 ounces of pulses a day, and provide some margin against emergencies.

To attain the desired production, the Plan calls for the Central and State Governments and private enterprise to spend Rs.2,475 crores (Can.$4,950 million) directly on agricultural improvement, out of a total development outlay during the Plan period (1961-66) of Can. $22,500 million. Principal agricultural programs include construction of irrigation works; intensified application of fertilizers; improvement in land use; expansion of multiple cropping; soil conservation and land reclamation; provision of improved seeds; plant protection; introduction of better farm implements and improved agricultural practices generally. These progran are to be backed by an expande extension service and increases the number and activities of c operatives.

Fertilizer Supplies to Increase

For Canadian firms in sever fields, the most significant of the programs is undoubtedly the pr posed expansion of fertilizer co sumption.

Although some progress has be made during recent years in ste ping up use of chemical fertilize (as well as manure, compo bonemeal, etc.), India consum tion remains among the lowe in the world. In the 1957- crop year, for example, applic tion through chemical fertilizers the three main plant nutrier (nitrogen, phosphorus and pota sium) amounted to just over o pound per acre under cultivatio By way of comparison, Japan du ing the same period used abc 200 pounds. The Indian Gover ment during the Third Five Ye Plan hopes to achieve a sever fold expansion in this extreme low per acre figure, largely throu the intensive application of f tilizers in a few selected areas.

By 1965-66, the planners p pose to increase India's total c sumption of nitrogenous fertiliz o one million long tons a year in erms of nitrogen, of phosphatic ertilizers to 400-500,000 long tons n terms of P_2O_5, and of potash to 00,000 long tons in terms of K_2O. n 1959 by comparison, consump- on amounted to roughly 170,000 ong tons of nitrogen, 40,000 of $_2O_5$, and 30,000 of K_2O.

Bearing in mind India's pressing oreign exchange difficulties and the emands of other industries for carce resources, these are ambi- ous targets. To attain them, the Government plans to expand do- estic fertilizer manufacture to the aximum extent and to embark pon an enlarged import program. Manufacture within the country ill, it is hoped, meet all India's equirements for nitrogenous fer- lizers. The Government itself in- ends to supply 800,000 long tons f nitrogen through establishment f a number of large plants in the ublic sector, and to call upon the rivate sector to furnish the remain- g 200,000.

The private sector is also ex- ected to provide the bulk of phos- hatic fertilizer capacity, to be ased on imported phosphate rock nd sulphur, because India is very eficient in these essential raw aterials.

No workable deposits of potash ave yet been discovered in India. s, unlike phosphatic fertilizers, the ost of preparing potash for the arket is relatively small in relation the cost of the material, the overnment has no plans to set up ocessing facilities but will rely tirely upon imports to achieve 1965-66 target of potash con- mption of 200,000 long tons.

nadian Firms Can Participate

Canadian firms can participate in dia's fertilizer development pro- am in three ways:

- By supplying machinery, equip- ent and engineering services to w nitrogenous and phosphatic tilizer plants.
- By supplying raw materials such sulphur.
- By selling potash and, in the short run, perhaps other fertilizer materials as well.

New Fertilizer Capacity

Existing capacity for nitrogenous fertilizers—mostly ammonium sulphate, though production of ammonium sulphate nitrate, urea and ammonium chloride has begun—is about 140,000 long tons a year in terms of nitrogen. The Central Government-owned Fertilizer Corporation of India Ltd. plant at Sindri in Bihar is by far the largest producer. The only other company with a substantial output of nitrogenous fertilizers at present is Fertilizers and Chemicals Travancore Ltd. in South India, which is privately managed but owned by Kerala and several other State Governments. The latter is also currently India's largest producer of superphosphates and the only producer of ammonium phosphate.

A second Fertilizer Corporation of India plant at Nangal in the Punjab has just gone into trial production. When it is operating at full rate, it will produce 80,000 long tons of nitrogen per year in the form of calcium ammonium nitrate. The operation is based upon electrolysis of water.

Two further government-owned plants are under construction at Rourkela in Orissa and Neyveli in Madras and scheduled for completion by the end of 1962. Rourkela will have an annual capacity of 80,000 long tons of fixed nitrogen in the form of calcium ammonium nitrate and Neyveli 70,000 long tons as urea.

Plans are now also well advanced for establishment of plants of roughly the same scale at Bombay (U.S. Development Loan Fund will finance purchase of equipment), Nahorkatiya in Assam (a British credit has been offered), Durgapur, West Bengal (private United States interests in collaboration with the West Bengal Government), and at Vishigipatnam, Andhra Pradesh (private Indian interests in collaboration with private U.S. interests).

All the above plants now under construction or planned, plus those already in existence, would give an output of about 700,000 long tons a year in terms of nitrogen. While this rate of production may not be attained before the end of the Third Five Year Plan, completion of the plants seems well in hand.

Other plants in the public or private sectors planned for construction during the Third Five Year Plan Period but whose financing has still not been arranged include units in Rajasthan, Uttar Pradesh, Madhya Pradesh and at Kothagudium in Andhra Pradesh (tenders for the last were actually issued last year).

The Central Government's objective is to see a major nitrogenous fertilizer plant in each state, except Kashmir, by the end of the Third Five Year Plan.

Current installed capacity for phosphatic fertilizers, almost all single superphosphate, is 331,000 long tons a year (about 50,000 long tons in terms of P_2O_5). Because of India's foreign exchange shortage which has limited import of phosphate rock and sulphur, production has never attained nearly its full potential.

Plant construction and expansion under way or authorized should increase capacity by 1962 or 1963 to about 200,000 long tons a year in terms of P_2O_5, leaving 200-300,000 long tons still to be taken up if the planners' objective is to be reached. About a dozen firms have received licences in the past year to begin or expand manufacture of phosphatic fertilizers. The Government is said to be encouraging the manufacture of multiple fertilizers such as ammonium phosphate and nitrophosphate; for the time being, no further industrial licences are being issued for single superphosphate. ●

Part II of this study, on Canadian opportunities to supply equipment and services for this program, will appear in our next issue—Editor.

How India Controls Imports

Can I export my product to India? The answer to this question depends largely upon whether it meets the requirements laid down in a comprehensive import licensing system. This lucid introduction to Indian import policy and procedures will encourage certain Canadian producers and discourage others.

W. F. HILLHOUSE, *Trade Commissioner, Bombay.*

EVERY commercial shipment that enters India today must be covered by a specific import licence. The exceptions to that statement are of such little consequence that they are not worth detailing. For many commodities, such licences are no longer granted and for a host of others the quota is so small as to be of little interest, especially to the new exporter. Last year, however, India exported approximately $1,350 million worth of goods. The majority of these exports were paid for in cash, a large percentage of which was in turn used to pay for imports. She is thus still a large-scale commercial importer.

If you wish to participate in this market, you should have a general understanding of the policy that controls these imports. That you are not likely to learn the policy in complete detail is suggested by the fact that the statement about it published every six months now runs to over 800 pages!

Policy Dictates Controls

Import control in India is quite frankly an instrument of national policy. The over-all objective of economic policy is that India, in as brief a period as possible, should expand her productive resources to the point where the economy becomes self-reliant or self-generating, thereby ensuring self-perpetuating growth. This expansion naturally calls for tremendous imports of plant, equipment, raw materials, components, etc. The immediate aim of the import control policy is to ensure that the limited foreign exchange resources make the maximum contribution to the national development program. In practice this means, in part, that:

- Luxury goods are almost completely banned.
- Consumer goods are very severely limited.
- Where indigenous production of the same or comparable products is sufficient to meet market demand, imports are forbidden or drastically curtailed.
- Licences in convertible currencies are reduced to the extent that goods are obtainable on a barter basis or for payment in rupees.
- Normally, import of capital equipment except on a relatively small scale is licensed only against long-term equity investment or long-term loans.

Actual import licensing is controlled by a *Handbook* of rules and procedures permanently applicable, and a *Red Book,* published on April 1 and October 1 of each year, which sets out in detail the import trade control policy for the ensuing six months.

Importers Classified

Briefly, these books define different types of importers, classify commodities and materials, establish base years and quotas, en merate the licensing authoritie describe in detail which authori licenses which commodity in wh manner to which type of importe and so on.

Importers fall into three bro categories: established importe actual users, and others.

Established Importers, as t name implies, "are persons or firn who have been actually engaged import trade of the articles . . during at least one financial ye (1st April to 31st March) falli within the basic period specified

Basic Period—The basic peri varies for individual commoditie It can begin as far back as 193 38 and for many commodities i cludes 1959/60. For the establis ment of new quotas, however, t basic period cannot now anteda 1951/52. The importance of t basic period is that it delineates t period from which the import may select the year of his large imports of the commodity co cerned. He then obtains a Quo Certificate certifying the value his best year's imports.

Quotas—The actual quantities individual commodities that esta lished importers are allowed to in port depend not only on the val in their quota certificates but al the quota that has been establish for the particular commodity. T quotas are set as percentages of t value of the quota certificate. Th vary from as low as 1¼ per ce to 100 or, in at least one case, 1 per cent. As most of the licenc are for a six-month period, t amount given on the licence w usually be one half of the quo percentage times the value of t quota certificate. Minimum lim are also set on the value of licenc granted. They range from Rs.500 to Rs.1,000/-, depending on t quota percentage.

Actual Users—In an endeavour o ensure equitable distribution of scarce imports and to eliminate the cost of the middleman (in this case he importer) the Government has ncreasingly issued import licences o entities which actually use the mported commodities in an industrial manufacturing process. These icences are granted on an ad hoc basis, in response to the certified equirements of the company.

Others—Shortage of space makes t impractical to do more here han mention the fact that special icensing arrangements apply to a number of categories of goods—ncluding capital equipment, heavy lectrical plant, machine tools, tores ordered by the Director General of Supplies and Disposals r the Railways, and those covered y the Export Promotion Scheme.

mport Controller Decides

As the *Handbook* and the *Red ook* now run to a total of almost ,200 pages it is not normally a mple matter to determine the roper classification and hence hether or not you can export a rtain article to India. Except for e simplest, most straightforward ommodities it is usually necessary refer the matter to the appro- riate Import Controller.

Before venturing an opinion on proper import classification, the nport Controller wishes to have complete description of the ommodity, including (where ap- ropriate) illustrative material, emical analysis or composition, ysical properties, end use, etc. ilure to provide such information th the original application for assification frequently results in otracted delays. The Import Con- ollers handle such a large number applications that to obtain these icial classifications is at best a ne-consuming business. Neverthe- ss, it is essential to get the proper assification. If, when seeking an port licence, the importer classi- s a product wrongly, there is a ssibility of its being sent to the ong licensing authority or even of its being rejected. Should a product arrive in India under an import licence in which it is wrongly classified, it could be confiscated and the importer fined.

In Shipping to India, an Exporter Must . . .

1. **Apply to one of the Import Controllers in India for the proper import classification of the product. Supply the Controller with a complete description of the product, illustrative material, chemical analysis or composition, physical properties, and end use.**
2. **Wait until the classification is made before applying for an import licence.**
3. **Operate normally through a local agent, if he is selling to established importers with a quota or to actual users, or if you are bidding on government or semi-government tenders.**
4. **Wait until the importer has secured an import licence before shipping the goods.**
5. **Make sure that he ships exactly to specifications or secures approval from the importer before making any changes.**
6. **Have all shipping documents made out in metric-system units.**

Currency Areas

For licensing purposes, the countries of the world were, until April 1 this year, divided into two groups —the dollar area and the soft currency area. Quotas were established separately for each area, for each importer. With the advent of trade liberalization within the sterling area, the practical significance of this differentiation declined and licences for the soft currency area could in fact be used for imports from the dollar area. However, all importers have not fully understood this effective liberalization. Hence the formal elimination of the differentiation in the *Red Book* may make some Indian importers more receptive to offers from the dollar area.

Can Your Product Enter?

The few details that have been provided on the Indian import control system have barely touched on the fringes of the subject. But perhaps they have created something of the atmosphere that characterizes the market. Of more immediate interest to the exporter is the question—"How does this affect me?" A detailed answer can only be given on an individual basis. However, the following points should be noted:

1. The Indian market has certain qualitative limitations which may alter in degree but which cannot be expected to change drastically for many years. Thus if your products are of a type normally produced domestically, even though these are

of different style and quality (shoes, clothing, etc.), or if they may be described by Indian standards as luxuries or non-essentials (jewellery, pleasure boats, bathroom scales, etc.), or if they are made in India in quantities considered sufficient to meet the demand (sewing machines, fans, refrigerators, etc.) then you would probably be well advised to concentrate your selling efforts on other markets for the next few years at least.

2. If you produce raw materials, components or machinery used in a manufacturing process, or highly sophisticated but necessary pieces of equipment, you should investigate the possibilities of this market. The resident Canadian Trade Commissioners will be pleased to help you.

3. With your first letter you should send, by air if possible, the complete description of your product or products referred to earlier. If it is necessary to refer to the Import Controller, you must expect to wait a minimum of several weeks, and quite possibly several months, before obtaining a ruling. Should insufficient information be provided the first time, the delay will be twice as long.

4. If your product proves to be importable, you should preferably be prepared to operate through a local agent. This is the normal pattern. There are exceptions, particularly if you have travelling representatives who visit the country frequently. An agent is essential, however, if imports are made only by established importers because they have the only quotas. Naturally the very fact that they have a quota means that they have been importing the same or similar products from other sources and may not be interested in changing. This increases the difficulty of locating suitable agents. Where licences are issued to "actual users", a good agent, well connected in the trade, is in an excellent position to sell your products against those licences and possibly to group them into consolidated orders. Where you are bidding on government or semi-government tenders, it is almost essential to have a local representative to explain your bid in detail and to sell your product or offer to the appropriate authorities. If possible, he should be given some authority to negotiate.

The Canadian Trade Commissioner will be glad to assist you in locating a suitable agent. To save time, you should provide several copies of any catalogues, plus c.i.f. price lists. If it is not practical to convert your whole price list to c.i.f., a few examples should be worked out to give the prospective agent an idea of your competitive position. It is advisable to forward these catalogues by seamail at the same time as you send your original letter by air. In this way the Trade Commissioner will be in a position to proceed as soon as a ruling is received from the Import Control authorities.

Wait for Import Licence

When you have reached the happy stage of having apparently made a sale, one or two points are particularly worth attention:

1. No order can really be considered a firm order until the importer actually has an import licence in his hand. He cannot legally pay you for goods until he has such a licence, since a copy of it authorizes the release of foreign exchange. There has been a least one unhappy instance of Canadian firm manufacturing to a order before it was advised tha the import licence had been issued That order is still waiting in it shipping room.

2. Import licences are very specifi and harder to change than letter of credit. Make certain that yo understand the specifications of th material required and do not alte those specifications without gettin prior agreement from the importer

3. India is converting gradually t the metric system of weights an measurements, but the changeove is not expected to be complete before December 1966. Whereve possible, however, imported machinery should be able to work t metric measurements. Of more universal interest, since October 1 1960, all shipping documents relating to imports have to be in metri units.

The rules and regulations tha govern trade with India are more complex than in most countries an probably more subject to change To understand them and kee abreast of changes may take more effort than for other countries However, this is already a billion-dollar commercial market. It i a country with 438 million people well started on its industrial revolution. The long-term potential of th Indian market is undoubtedly tremendous and well worth a little extra effort. ●

	Canadian Exports to			Canadian Imports from		
	(in thousands of dollars)					
	1958	1959	1960	1958	1959	1960
Burma	957	817	806	88	26	85
Ceylon	5,508	4,931	2,479	12,869	15,140	15,556
India	79,110	53,654	36,814	27,696	29,297	29,352
Pakistan	15,384	17,317	11,942	477	1,105	985
Total	100,959	76,719	52,041	41,130	45,568	45,978

Pakistan Makes Progress

Some relaxation in import licensing should mean better opportunities for Canadian exporters, though commercial shipments to Pakistan remain small. Market continues to be a difficult one because of strict import controls and stiff competition.

L. A. CAMPEAU, *Commercial Counsellor, Karachi.*

THE economic situation in Pakistan improved during 1960. It is reported that national income rose by 4.7 per cent and industrial production reached an index figure of 202.6, a jump of 15.8 per cent compared with the 6.3 per cent annual average increase for the two preceding years. Both manufacturing and mining industries expanded, though the increase was more pronounced in manufacturing. The balance of payments recorded a current account surplus despite a rise in imports under the import liberalization policy. A 22 per cent jump in export earnings improved the external credits position, although reduced government expenditure abroad also contributed to this. The gain in exports (partly the result of the Export Bonus Scheme) was, however, somewhat offset by a drop in earnings from the two major export commodities, jute and cotton. Exports to the terling area showed a marked improvement but sales to the dollar and the non-dollar non-sterling areas were off.

Prices, which had previously hown some rise, deteriorated during 1960. This deterioration is attributed to the decontrol of prices and to the fact that increased exports under the Export Bonus Scheme affected home supplies. Removal of restrictions on the movement of wheat and the abolition of wheat rationing in West Pakistan were the major factors in the rise in food prices. The food supply in 1959-60 remained good because of an increase in domestic production of foodgrains, large internal procurement, and imports. Commodity markets reflected the expansion in world demand for primary commodities. Raw jute prices rose because of smaller output, but larger cotton production permitted greater domestic consumption and provided an exportable surplus. Tea prices rose sharply following the lifting of price control but eased again at the end of the season.

Agriculture Stressed in Plan

Pakistan's inability to feed its present, let alone a growing, population makes its economy vulnerable. Once the bread basket of the subcontinent, it now faces a domestic food shortage for two main reasons: the rapid increase in population and the decrease in agricultural production because of waterlogging and salinity. The administration has, however, taken steps to meet these problems. Under the expanded agricultural commodities program, assistance is planned for wheat, rice, tobacco, animal feeds, fats and oils, tallow, cotton and some other commodities, to the tune of $350 million a year for the next four years. The Second Five Year Plan (1960-65) places great importance on the development of agriculture and aims at a foodgrain production increase of 21 per cent.

Last year the Government announced a "crash program" for increasing agricultural production so as to attain self-sufficiency in food by the end of 1961. Unfortunately, West Pakistan experienced a serious drought during the current crop year, just when an all-time-high foodgrain crop was expected. Worst hit were the rain-fed areas which make up more than 40 per cent of the total cultivated area. So serious was the drought that import of an additional 1.5 to 2 million tons of foodgrains during the next year is being considered. The drought also caused a serious fodder shortage and damaged the cotton crop, West Pakistan's main commercial crop.

Imports Controlled

The Government is following a policy of controlling imports to keep them within estimated foreign exchange earnings, and at the same time to meet the essential requirements of growing industry. Although the Bonus Scheme was intended primarily to increase exports, it also served to assist industrialists to meet some of their import requirements. Import licences for industrial and consumer goods are therefore issued on the basis of their essentiality to the economy and according to foreign exchange earnings. Some 186 items are at present allowed to be imported under licence. Recently the Government released 11 items from the control list and placed them on Open General Licence. O.G.L. commodities are not limited to any particular class of importers: they are open to any person registering as an importer or to any person importing for personal use. The commodities that were placed on O.G.L. are iron and steel (including metals), books, drugs and medicines, typewriters and office machines, tractors and spares, milk food, tires and tubes, automotive spares, laboratory glassware, tools and workshop equipment, and cement for East Pakistan.

Among the principal products of interest to Canadian exporters that can be imported under the Bonus Scheme and import licences are: arms and ammunition, chemicals, drugs and medicines, automotive vehicles and parts, scientific and surgical instruments, non-ferrous metals, tools, hardware, electrical apparatus and appliances, refrigerators and air conditioners, office machines, tractors and agricultural implements, optical lenses, malt, raw and synthetic rubber, fountain pens and parts, nylon yarn and twine, aircraft, plastic mapping film, pigment and dry colours, thermoplastic moulding compounds.

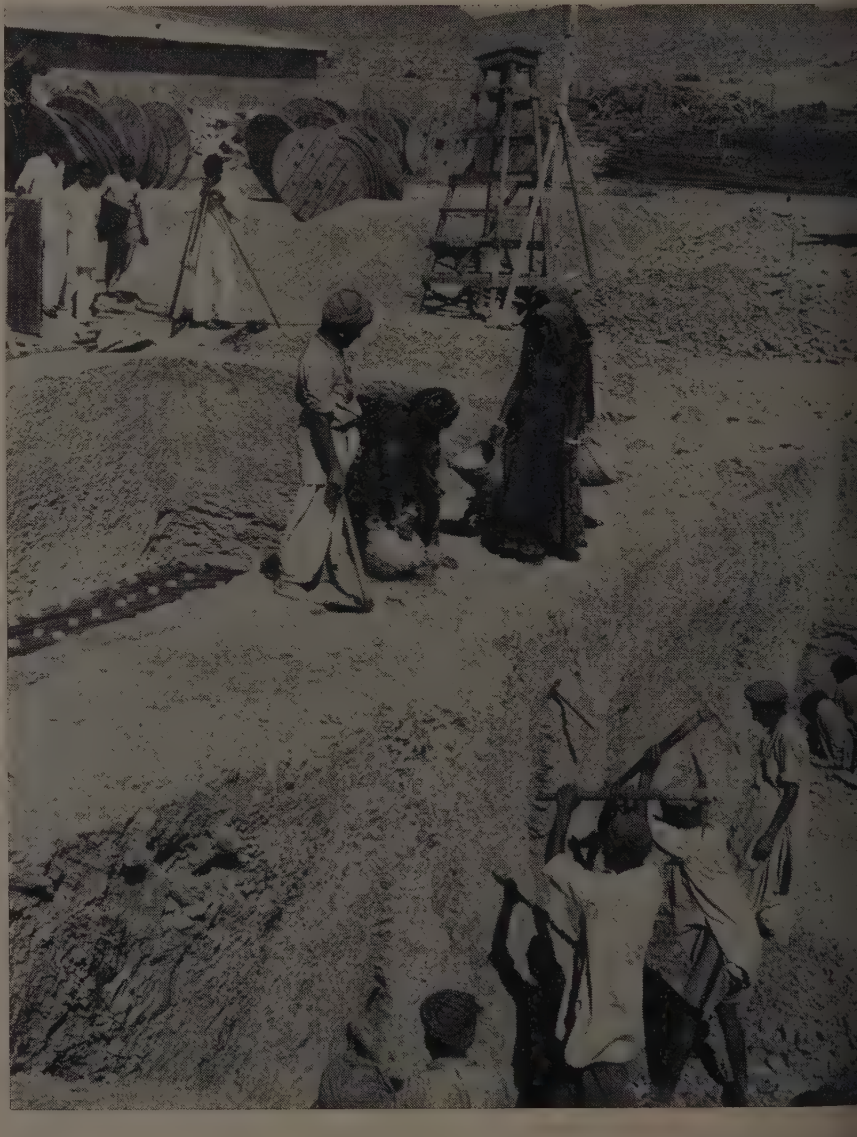
Foreign Trade Encouraged

Foreign trade is important in Pakistan's economy because exports represent almost 90 per cent of her total foreign exchange earnings. Present policy is to develop trade relations with all countries with a view to increasing exports as much as possible and controlling imports to keep them within the estimated foreign exchange earnings. To develop lasting relations with foreign countries, Pakistan is sending out trade delegations and inviting foreign missions to the country for the purpose of eventually concluding trade agreements. Fluctuations in export earnings and import costs, and changes in terms of trade, have considerably influenced Pakistan's economy. Consequently, the present regime, which took over at the end of 1958, has adopted a number of measures to rehabilitate the country's foreign trade. An Export Bonus Scheme was introduced to boost exports of certain goods. These and other measures were instituted to reduce the unfavourable trade balance which for the period 1959-60 stood at Rs.617.9 million* (largely due to development program requirements and food imports). During the fiscal year 1959-60 Pakistan's total exports increased by 42.3 per cent to Rs.1.8 billion, compared with Rs.1.3 billion in the previous year Imports rose from Rs.1.6 billion in 1958-59 to Rs.2.5 billion i 1959-60, a 56 per cent increase.

Exports

For years Pakistan's exports wer made up chiefly of six major agricultural commodities: raw cotton, jute raw wool, hides, skins, and tea. I 1959-60 a gradual change in th composition of exports saw greate emphasis on manufactured products. Manufactured goods now account for about 30 per cent o Pakistan's total exports. Agricultural commodities have declined t about 65 per cent of the total

—IBRD Photo



In the early stages of building this diesel power station, recently completed, both men and women laboured on it. Planned to supply electric power for growing industry in and around Karachi and thus speed Pakistan's economic development, the foreign exchange cost was provided by a $2.4 million loan from the World Bank.

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*One rupee=approx. Can.$0.21.

compared with 95 per cent a few years ago. Exports last year in order of importance were raw jute, cotton manufactures, jute manufactures, raw cotton, hides and skins, wool and rice. Other items included fish, tea, leather manufactures, cotton waste and linters, oil cakes, and sporting goods. The rise in exports was restricted mainly to products covered by the Export Bonus Scheme, entitling exporters of certain goods to receive foreign exchange for certain designated imports.

The United Kingdom, always Pakistan's best market, was the principal buyer, accounting for about 17.5 per cent of total exports during 1959-60. The United States came second with about 9 per cent, followed by Hong Kong, Japan, West Germany and India. Exports to the dollar area totalled Rs.202.0 million; the best customer was the U.S. Cuba, the Philippines and Canada were also important buyers, in that order.

The Government hopes that greater production and increased foreign exchange earnings will help meet the external cost of the Second Five Year Plan. Local production is therefore fast replacing traditional imports such as chemicals, pharmaceuticals, electrical and other small industry goods.

Imports

Cotton piecegoods and yarn constituted 32 per cent of total imports at the time of independence. During 1959-60, imports into Pakistan totalled Rs.2.5 billion. Machinery, grains, oils, metals, ores, vehicles, chemicals, drugs and medicines were the chief imports, and more were brought in in 1959-60 than during 1958-59. Foodgrain imports have also been heavy because of food deficits. Together these items accounted for about 72 per cent of total imports in 1959-60. Other important purchases abroad included cutlery, hardware and instruments, coal dyes and colours, rubber manufactures, paper and paper products. In 1959, 17 countries supplied 90 per cent of Pakistan's total imports; Canada was in sixth place, after the United States, the United Kingdom, West Germany, Iran and Japan. During 1959-60, the United States led other suppliers with over 23 per cent of the total; the United Kingdom claimed about 17 per cent, West Germany 10 per cent, Japan 8 per cent and France 4 per cent. The main suppliers of foodgrains were the United States and Canada. Britain, Japan, West Germany, Belgium, the United States, France, South Africa and Canada supplied metals and ores.

Trade with Canada

The balance of trade remains heavily in Canada's favour—by as much as $10.9 million in 1960. During the period under review Canada accounted for about 0.5 per cent of Pakistan's exports and about 3 per cent of her imports. Canadian sales to Pakistan totalled Can.$15.6 million in 1958, $17.3 million in 1959, and $11.9 million in 1960. The drop in sales in 1960 was caused chiefly by a decrease in the principal items supplied under the Colombo Plan. These made up between 85 to 90 per cent of Canadian sales to Pakistan and included transformers and parts, electrical apparatus, and contractors' outfits and supplies. The latter item comprised over 25 per cent of our exports to Pakistan in 1959 but only about 2 per cent in 1960. Grains, nylon twine, wood pulp, iron and steel, machinery and parts, files and rasps, automobile parts, aluminum semi-fabricated and in primary forms, copper rods, fertilizers, aircraft, and a large number of miscellaneous products in smaller amounts made up our exports to Pakistan in 1960.

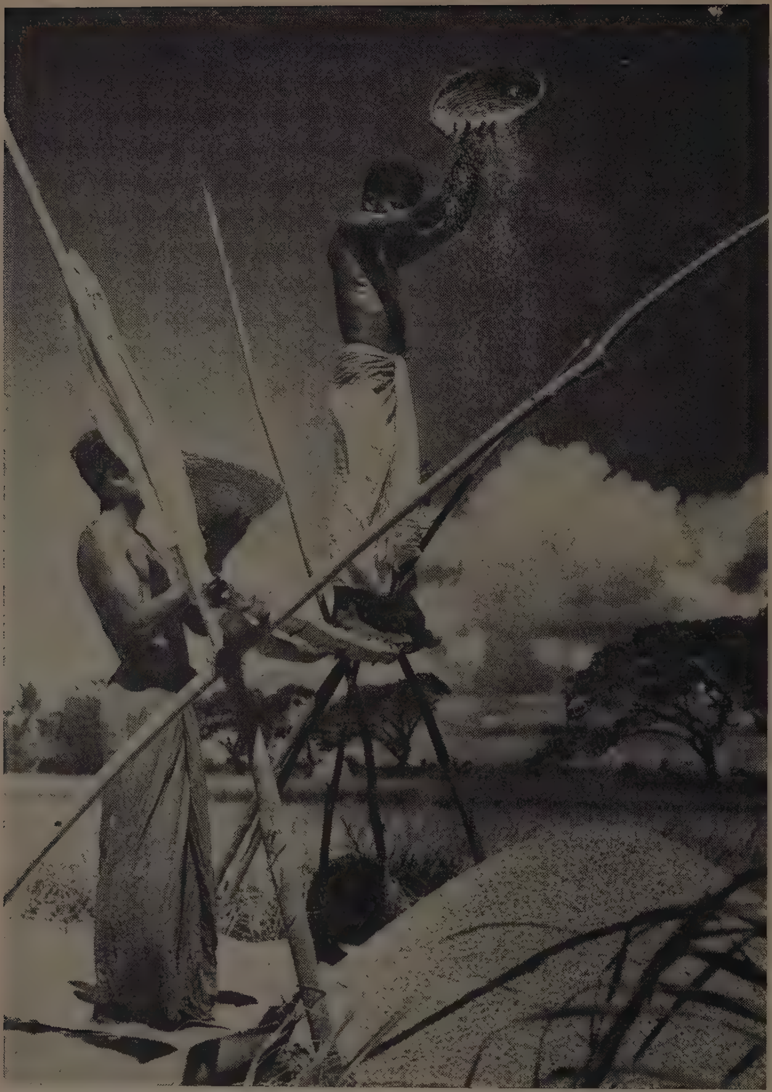
In 1960 Pakistan shipped $985,332 worth to Canada—that is, more than double our purchases there in 1958 ($476,697). Raw jute and jute manufactures were Pakistan's biggest exports to Canada in 1960, accounting for over 50 per cent of the total. Sporting goods, tea, cotton piecegoods, cotton waste, raw cotton, surgical instruments and musical instruments were the other significant imports during the year.

Canada and the Plan

The Second Five Year Plan came into force on July 1, 1960. The outlay under the Plan is now set at Rs.22 billion, or $600 million more than the original estimates. The foreign exchange component has accordingly risen from $1.7 to $2 billion, or about $400 million a year. Under the Plan, output of commodities that can be sold in foreign markets will be increased by restricting domestic consumption and by providing incentives to exporters. Control will continue on foreign exchange expenditure on imports, although some relaxation of import controls can be anticipated to introduce flexibility into the allocation of foreign exchange. Imports of essential consumer goods are expected to be maintained, including imports of consumer goods on government account.

Imports of raw materials, fuels and spare parts will continue. It has been estimated that Rs.1.3 billion (approximately $260 million) will meet the requirements for these commodities during the next five years. The Plan allocates Rs.4 billion (about $800 million) for imports required for government-financed development projects and Rs.2.5 billion (approximately $500 million) for similar needs for the private financial program. Because foreign exchange will be needed for 50 per cent of these imports, Pakistan's foreign exchange earnings will not be adequate and a considerable portion will have to come from outside financial aid.

These developments will offer many opportunities to Canadian exporters to increase their share of the Pakistan market. But it will remain a difficult market because of import control regulations and fierce competition from European and Far Eastern countries. ●



Two Ceylonese villagers winnow paddy rice in the traditional way. Though this is a rice-growing country, some is imported, particularly from Burma.

Ceylon Alters Its Trade Policy

Large increases in the tariff and tighter import restrictions are affecting market for certain Canadian products. But stress laid on local industrial development should improve chances to sell our raw materials, engineering services and equipment.

I. V. MACDONALD,
Commercial Secretary, Colombo.

CEYLON'S economic problem
even though they were somewha
overshadowed by political event
were a source of increasing concer
both to the Government and th
business community during 196
and early 1961. The year 196
opened with a caretaker government in power. This was succeede
by the conservative United Nationa
Party minority government, whic
in turn was replaced by the Ceylo
Freedom Party Government of Mr
Bandaranaike, widow of the forme
Freedom Party leader. The ne
Government took steps almost immediately to halt the rapid declin
in Ceylon's foreign exchange reserves through higher taxes, tari
increases, import control on som
products, and measures designed t
attract foreign investment in certai
fields. On January 25, 1961, th
Ceylon Government announce
further drastic import restriction
including widespread tariff increase
and extension of import licensing.

The recent tariff increases affec
adversely Canadian exports t
Ceylon of automobiles, newsprin
motor spares, refrigerators, synthetic textiles, men's shirts, beer an
ale, and other finished product
Increasing import restrictions, wher
they stimulate local productio
however, should improve the Ceylon market for Canadian raw materials—for example, asbestos fibr
and semi-fabricated aluminum manufactured in third countries fro
Canadian ingot.

Canadian Exports

Excluding gift shipments of flou
under the Colombo Plan, Canadia
direct exports to Ceylon decline
about 6 per cent during 1960, despite increased sales of asbesto
fibre, drugs, synthetic piecegoods
beer, smoked salmon, fishing gear
files and rasps, outboard motors
plastic laminates and rolled oats
Shipments of newsprint, Canada'
most important commercial expor
to Ceylon, declined slightly durin

CANADA'S TRADE WITH CEYLON

(excluding gift flour)

	1958	1959	1960
Canada's exports to Ceylon	$ 1,669,182	$ 1,651,913	$ 1,528,678
Ceylon's exports to Canada	12,869,236	15,139,589	15,555,731

Source: DBS.

MAIN COMMERCIAL EXPORTS FROM CANADA

	1958	1959	1960
	$	$	$
alt	10,389	10,705	19,007
anned fish	30,613	7,858	4,994
ood pulp		15,449	
ewsprint	324,345	575,975	449,436
iles and rasps	68,406	97,654	99,965
utomobiles	33,653	84,666	44,655
uto spares	95,315	86,373	45,346
luminum, semi-fabricated	8,479	23,574	14,873
locks and parts	29,887	36,386	27,008
parkplugs	72,718	100,467	138,112
sbestos fibre	114,895	217,621	263,021
edicinal preparations	9,859	9,955	4,646
ynthetic resin manufactures	10,300	9,267	33,878
rugs and chemicals	6,382	54,280	27,536
Fountain pens	34,184	51,951	14,246
Rolled oats	23,888	15,569	24,619

the year, as did shipments of malt, medicines, autos and spares, sardines, pens, clocks and tires. The composition of future Canadian exports to Ceylon will depend to a large extent on the new Ceylon Government's policy on tariffs and indirectly on the future policy on taxation, private enterprise, government participation in trade and industry, and the establishment of new industries in Ceylon.

Markets and Suppliers

During 1960, as a result of the restrictions imposed in August, Ceylon's total imports declined slightly to $392 million. The country's chief supplier during the year was the United Kingdom, although the total value of British shipments decreased by about $12 million compared with 1959. On the other hand, imports from India increased by $4 million, from Japan by $3.5 million, from the Union of South Africa by $800,000, and from West Germany by $900,000.

Imports into Ceylon from Communist countries remained small and declined from 1959, with the exception of those from the Soviet Union and Yugoslavia. Ceylon's chief trading partner in the Communist Bloc is Communist China, but its offers of rice are meeting increasingly stiff competition from non-Communist suppliers in South East Asia.

Exports rose from about $338 million in 1959 to approximately $355 million in 1960. Exports to the United Kingdom rose to $79 million and exports to Australia, South Africa, Japan, Canada and the United States also increased. Shipments to the Communist Bloc countries totalled only $32 million, of which $20 million consisted of exports of rubber to Communist China under a special agreement.

Trade Agreements

Ceylon signed new trade agreements during 1960 with Poland, Yugoslavia and Communist China, bringing the total number to 23. The majority of these agreements do not provide for quotas nor for the exchange of specific commodities, but aim chiefly at the avoidance of possible discrimination and the facilitation of inter-governmental discussions of trading problems. Where the exchange of specific products is required (as in the agreements with Communist China, Burma and Russia), Ceylon has agreed to deliver rubber and (to a lesser extent) coconut oil and tea against supplies of rice; and in the case of the Soviet, industrial machinery. Despite their number, bilateral trade agreements have not yet become a significant influence on Ceylon's overseas trade.

Import restrictions of various kinds have been imposed by the Ceylon Government for the purpose of increasing revenue, conserving foreign exchange, and protecting local industry. These restrictions culminated in the widespread import controls and tariff increases announced on January 25, 1961. Special controls have been placed on imports of alcoholic beverages following recommendations several years ago by a Prohibition Commission. Some consumer goods are subject to high rates of duty. However, imports of industrial raw materials and of equipment for industry, agriculture and fisheries are admitted either duty-free or at nominal rates.

In addition to these controls, private traders are not permitted to import several important commodities including flour, rice and sugar.

Industrial Development

Concurrently with the 1960-61 budget, the Minister of Finance announced that the Government wished to encourage private investment in Ceylon both from domestic and overseas sources. Recently the Minister of Industries also gave assurance that new overseas investors in Ceylon would be guaranteed the right to transfer dividends and repatriate capital without hindrance. Among the incentives offered by the Government are tax concessions, tariff protection, loan funds, and provision of factory sites. The fields in which private investment is to be permitted are somewhat limited because new investment in such industries as cement, textiles, iron and steel, chemicals and leather footwear, among others, is at present reserved for the public sector. Further obstacles to large-scale foreign investment in Ceylon are the high rates of taxation (which do not apply initially to new approved projects), the relatively small size of the market, growing state ownership, government controls, and the

—concluded on page 22

Advertising Abroad

In Pakistan, visual advertising is essential because of the low literacy rate; large movie audiences make film slides and shorts a valuable medium. Local agencies should be used to ensure effective campaign.

JOHN B. McLAREN, *Assistant Commercial Secretary, Karachi.*

ADVERTISING in Pakistan presents many problems peculiar to the area and the wise advertiser will study them thoroughly before launching a campaign. Here we have a two-part country, separated by the great breadth of India, and with a distinct language in each of the two wings. An advertising approach to this market of over 80 million people must employ visual aids as much as possible because the literacy rate is comparatively low. Pictures of women must be discreet, liquor advertising is prohibited, and ads depicting mosques and traditional Muslim scenes are not appreciated. Translation of English copy should be done by Pakistani experts and the approach should be simple and direct—lengthy copy will not be read. The right media for individual commodities and services can be selected through local advertising agencies, several of which are associated with well-known international organizations.

Newspapers and Periodicals

Extensive advertising is done here in daily, weekly, biweekly and monthly periodicals. Most important among these are the daily newspapers. English-language dailies are distributed in both wings of the country but to reach some sections of the population, advertisers should consider the use of Urdu-language publications in West Pakistan and Bengali in East Pakistan. Magazines and periodicals are more limited in circulation but sometimes prove useful for prestige purposes or to reach certain important groups, such as government officials.

Film Slides and Shorts

Pakistanis are movie-minded and advertisers have found that film slides and shorts are a very successful medium. Transparencies or colour slides made by hand are available in the country. There are studio facilities, plus local artists, script-writers and directors competent to produce short commercial films. These are usually one minute long and in English, with Urdu and Bengali dubbed in where necessary. Full-length commercial films are out of the question as very few cinema operators would show them.

Other Media

Television has not been introduced into Pakistan and there is no commercial radio. However, many advertisers use Radio Ceylon, to which a large percentage of the population listens. Outdoor advertising is popular and good sites are available for yearly rental. Billboards are made up in three sizes: 12 by 8, 20 by 10, and 45 by 15 feet; double-sided displays are often employed. Plexiglass neon signs, with flashers if desired, are manufactured locally at reasonable rate Posters and point-of-sale cards a nicely done in any language colour by the offset process and a used extensively. Direct mail adve tising is an effective medium an can reach all parts of the countr The only limitation is that there ar no mailing houses as we kno them, so the job has to be don on a hit-and-miss basis by the a vertising agency. Transportation ad vertising has a limited appeal fo local firms and is seldom used b international companies.

Advertising Agencies

We recommend that any adver tising campaign in Pakistan b channelled through agencies in the country. Advertising material supplied from abroad is accepted fo newspaper publication but unless the theme is a local one, it will not be fully effective. Several international agencies have branch offices in Karachi and there are many local agencies, a few of which maintain a high standard. The agencies are all accredited to the newspaper associations and their 15 per cent fee is paid by the medium, not by the client. Nominal charges are made for creative design and market research. Local agencies seldom have a research branch but some will prepare a questionnaire, distribute it with casual labour, and interpret the results.

The Commercial Counsellor's office in Karachi can provide further information on advertising in Pakistan, such as circulation of periodicals, distribution, rates, etc. Officers will also be glad to arrange introductions to local agencies, or this can be done through your advertising agency in Canada. ●

Institutions Engaged in Overseas Credit and Financing Operations

J. D. BLACKWOOD, *Assistant Commercial Secretary, Washington, D.C.*

Every exporter should be familiar with the international financing agencies and the principal characteristics of each. Here is a useful chart that you may want to retain for reference.

IMF, IBRD, IDA, IFC, IADB, DLF, ICA . . . This is not a code. These initials represent important international and United States development credit and export financing agencies. Every exporter of capital goods and associated services should be familiar with their world-wide activities.

Of greatest interest to Canadian businessmen are the international lending institutions. These funds finance projects the procurement of goods and services for which is subject to international competitive bidding, open to the Canadian exporter. The chart on the following pages summarizes briefly each institution, its purposes and activities.

Also shown on the chart are the United States Government agencies active in the often overlapping spheres of foreign aid, development credits and exporters' credits. All these agencies are now restricted to United States sources of supply. The Export-Import Bank has, since its creation, only financed procurement of domestic supplies. In the past 18 months, the United States Government, in a major policy shift, has also enjoined both DLF and ICA to tie financing to U.S. purchases, in an effort to alleviate the United States balance-of-payments problem. However, as the tools used by potential competitors, these U.S. agencies should be well known to all exporters. (The new Canadian Government arrangements for financing long-term exports were explained in an article on page nine of the March 25, 1961, issue of *Foreign Trade.*)

A. International Financing Institutions

1. *International Monetary Fund*—Although the IMF makes an important indirect contribution to economic development in the nations assisted, it does not become involved directly in projects or import programs. It offers a second line of monetary reserves to member countries.

2. *International Bank for Reconstruction and Development*—IBRD is the leading international finance agency and a major source of funds for borrowers who wish to purchase through worldwide procurement and who can repay in convertible currencies. Loans are directed to helping member countries build the foundations for economic growth, mainly in the fields of power, transportation, agriculture and basic industry. These loans are either made to member governments or are guaranteed by them.

3. *International Finance Corporation*—The IFC is a small affiliate of the World Bank intended to encourage the growth of productive private enterprise in underdeveloped member countries. Government guarantees are not required.

4. *International Development Association*—The IDA is the newest affiliate of the World Bank; it will be able to offer loans on more flexible terms, bearing less heavily on the balance of payments of the recipient country than IBRD loans do. In essence, it is the "soft loan" department of the World Bank and will be administered by the Bank's staff. It has not yet announced its first loan.

5. *Inter-American Development Bank*—The IADB, a newcomer in international finance, will specialize in Latin America. Membership is restricted to members of the Organization of American States.

6. *UN Special Fund*—Established to carry out projects of a size and duration beyond the scope of the UN technical assistance program. It concentrates on development projects designed to bring about better utilization of the natural and physical resources of a country, and on training institutes. It does not contribute funds to capital investment projects but emphasizes those that will lead to new capital investment.

B. Bilateral U.S. Aid and Credit Agencies

1. *Export-Import Bank*—The Eximbank is the normal U.S. source of lending where the foreign borrower wishes to purchase goods and services in the United States and has the capacity to repay in dollars. It offers credits to foreign governments and firms to finance procurement in the U.S. It also offers medium-

—continued on page 22

—	International Monetary Fund (IMF)[1] — Currencies of member countries— gold and dollars	International Bank (IBRD) — Currencies of member countries— principally dollars	International Finance Corp. (IFC) — Dollars	International Development Assn. (IDA) — Currencies of member countries	In Dev — C mem prin
Purpose	Promote international monetary co-operation and encourage stability by providing resources to meet short-term balance-of-payment problems and by other means.	Aid the development of productive facilities and resources in member countries.	Further economic development by encouraging growth of productive private enterprise in member countries, especially in less developed areas.	Promote economic development in member countries by providing finance on terms not possible under IBRD, of which IDA will be an affiliate.	Contribute cess of ec in member
Resources	Resources consist of members' subscriptions which aggregate $14.044 billion. The Canadian quota is $550 million.	Capital subscriptions of member countries and issues of Bank's securities (approx. $2 billion outstanding). $1.9 billion of capital is paid in, $16 billion is callable to meet defaults on Bank's securities, of which Canada's share is $750 million.	Capital subscriptions of member countries of $93.7 million, and proceeds of sale of investments. Canada has subscribed $3.6 million.	Total proposed subscriptions of $1 billion. Canada's subscription is $37.83 million.	Authorize lion of wh "Ordinary million is Operation nary oper lion of ca defaults o
Nature of Loans	Take the form of a member's purchase from the Fund of the currencies of other members for an equivalent amount of the member's own currency. A member's purchase of currency from the Fund must be repaid by repurchases.	Loans to member governments, and to other public or private entities if guaranteed by a member government.	Investments in productive private enterprises only, but may not subscribe to their capital stock; guarantee of member government not required.	Loans to member governments or political subdivisions of such members and to public or private entities in territories of a member.	Making, direct loa ments an those cou
Nature of Guarantees	Not applicable.	Full or partial guarantees of loans by private lenders for purposes noted above, if such loans are guaranteed by a member government. Guarantee authority has not been exercised.	Not applicable.	Full or partial guarantee of securities in which IDA has invested and, in special cases, of loans from other sources.	May gua part loans
Relationship to Other Sources of Financing	Co-operates with and acts through member countries' treasuries, Central Banks, stabilization funds, or similar fiscal agencies.	Cannot lend where private capital available on reasonable terms.	Cannot invest where private capital available on reasonable terms.	Cannot lend where private capital available on reasonable terms or where financing could be provided by loan of type made by IBRD.	Co-opera of financ take into borrowe loans on Bank's o taking int factors.
Maturity of Loans	Members undertake to repurchase (repay) within a period not exceeding 3 to 5 years.	Generally 15-25 years.	Generally about 10 years.	May be very long term.	Generall
Currency of Repayment	Gold or convertible currency.	Currency loaned, mainly U.S. dollars.	Currency invested—usually U.S. dollars.	Currency lent, currency of borrower, or other currencies, as appropriate.	For "Or currency ations" i rency of is locate
Interest rate or fee	Service charge of ½ of 1 per cent plus interest charge of 2 per cent per annum and up, depending on period money purchased is returned.	6 per cent currently—based on cost of money to Bank plus 1 per cent commission and ¼ per cent for administrative expenses.	Currently about 7 per cent plus contingent interest, stock options, or other benefits.	Probably will be flexible.	Expected Bank fo tions".
Where proceeds of loans must be spent, including guaranteed private loans	Worldwide.	Generally in member countries.	Generally in member countries.	Generally in member countries.	Procure mined.
Decision Making Body	Board of Governors or, as delegated, the Board of Directors.	Board of Governors or, as delegated, the Board of Directors.	Board of Governors, or, as delegated, the Board of Directors.	Board of Governors or, as delegated, the Board of Directors.	Board o gated, th
Legal Authority	Articles of Agreement and Bretton Woods Agreement Act.	Articles of Agreement and Bretton Woods Agreement Act.	Articles of Agreement and International Finance Corporation Act.	Articles of Agreement and International Development Association Act.	Agreem Inter-Am Americ Act.
Level of Activity	$504 million in 1960.	29 loans totalling $658.7 million in 1960.	$18.6 million in 1960.	First loan not yet made.	Plans t 1961.

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[1] IMF's contribution to economic development, while important, is indirect rather than direct.

[2] ICA primarily extends grant assistance to foreign governments. Shown here are only its foreign currency lending and private investment guarantee programs. In spec
and interest at 3½ per cent to 4½ per cent. For fiscal year 1961, the U.S. appropriated $675 million for Defence Support (mostly used for commodity imports), $150 million

Export-Import Bank (Eximbank)		Development Loan Fund (DLF)		International Cooperation Administration (ICA)[2]	
Dollars	Foreign currencies (Cooley loans)	Dollars	Foreign currencies	Foreign currencies	Investment guarantees
Assist in financing and facilitate U.S. imports and exports.	Assist foreign economic development and expansion of markets for U.S. surplus agricultural commodities.	Aid in developing economic resources and productive capabilities of less developed countries.		Encourage multilateral trade and economic development.	Encourage and facilitate U.S. private investment in underdeveloped countries—especially in equity and licensing arrangements.
$7 billion, of which $1 billion capital stock subscribed by Treasury; $6 billion borrowing authority.	Up to 25 per cent of proceeds of sales of surplus agricultural commodities.	Annual appropriations ($1.95 billion to date), plus loan repayments.	Loan repayments and certain foreign currencies arising from surplus commodity sales and Mutual Security loans.	Part of proceeds of sale of surplus agricultural commodities.	Authorization issue $1 billion of guarantees; with borrowing authorized from Treasury of $200 million.
1. Project loans—i.e., to foreign gov'ts and private enterprises (U.S. and foreign) for purchases of U.S. goods and services for development projects abroad 2. Exporter credits.	Loans to (1) private U.S. companies only, including their subsidiaries and affiliates abroad; (2) U.S. or local private companies for expanding markets for U.S. agricultural commodities abroad.	Loans to foreign governments and loans or investments in private enterprises (U.S. or foreign) for projects or programs contributing to economic development.		Loans to governments of countries receiving U.S. surplus agricultural commodities for development projects.	Not applicable.
Full or partial guarantees of loans by private lenders for purposes noted above.	Not applicable.	Full or partial repayment guarantees of loans by private lenders for purposes noted above, with reserve of not less than 50 per cent of DLF's liability.		Not applicable.	Guarantees of private U.S. investors against inability to convert foreign currency earnings or capital into dollars, and losses from confiscation, nationalization or war.
Cannot compete with private capital, and does not loan where private capital available on reasonable terms.	None.	Cannot compete with private capital, and must take into account whether financing obtainable on reasonable terms from free world sources—including Eximbank or IBRD.		None.	None.
Generally up to 7 years on exporter credits; up to 20 years on project loans.	Up to 10 years.	Up to 30 years.	Undetermined.	Up to 40 years.	Not applicable (guarantee limited to 20 years).
U.S. dollars.	Foreign currency loaned.	U.S. dollars, and/or foreign currencies.	Foreign currency loaned.	Foreign currency loaned, with option to pay in dollars.	Not applicable.
Current rate 5¾-6 per cent.	Related to prevailing local rate.	3½ per cent for basic governmental projects; 5¾ per cent for profit-earning type projects.	4 per cent and up depending on nature of projects.	4 per cent.	½ per cent per annum of ICA liability for each risk covered.
Generally in United States.	In country whose currency is loaned.	United States.	In country whose currency is loaned, unless that country agrees otherwise.	Principally in country whose currency is loaned.	Not applicable.
Board of Directors, with advice of National Advisory Council on International Monetary and Financial Problems (NAC).		Board of Directors, subject to supervision and direction of President, foreign policy guidance of Secretary of State, and advice of NAC.		Director of ICA, with advice of NAC.	
Eximbank Act of 1945, as amended.	Sec. 104(e) of Public Law 480 (Cooley amendment).	Title II of Chapter II of Mutual Security Act of 1954, as amended.	Same, plus Sec. 104 (g) of Public Law 480, and Section 505 of Mutual Security Act.	Section 402 of Mutual Security Act of 1954, as amended; and Sections 104 (d) and (g) of Public Law 480.	Section 413 (b) (4) of Mutual Security Act of 1954, as amended.
$499.6 million in fiscal year 1960.	$84 million since commencement in 1957.	$521 million in fiscal year 1960.	Counterpart funds equivalent to $473 million.	Counterpart funds equivalent to $748 million.	$53 million in fiscal year 1960.

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ollar loans to foreign governments for defence support and special assistance ($57 million to four countries in fiscal year 1959) with repayment in dollars or local currency, d $231.5 million for Special Assistance directed to 22 countries not receiving Defence Support aid.

term credit facilities and short-term political risk insurance to U.S. exporters.

2. *Development Loan Fund*—The DLF can and does offer liberal repayment terms (often in local currency) and therefore concentrates on countries requiring U.S. assistance but with the least capacity to repay in dollars. DLF finances basic development projects of high priority—such as power, transportation, communications, irrigation, reclamation and industries.

3. *International Co-operation Administration*—The ICA administers the Defence Support, Technical Assistance and Special Assistance programs. The largest activity, Defence Support (for which $675 million was appropriated in FY 1961) is grant assistance and mostly finances commodity imports into certain underdeveloped nations which have a defensive alliance with the United States. Counterpart funds generated locally by this aid are used to maintain armed services and to finance some development projects. Technical Assistance is designed to train foreign students and maintain U.S. experts abroad. Special Assistance includes economic aid for the purpose of maintaining political and economic stability in countries which do not receive significant military or defence support assistance. ●

Ceylon Alters Its Trade Policy

(continued from page 17)

lack of knowledge on the part of potential investors concerning possible industrial opportunities in Ceylon.

Investment planned for the public sector in the near future includes expansion of cement production, establishment of a steel rolling mill, a fertilizer plant, a tire and tube factory and a company to distribute petroleum products. Two sugar mills and several large sawmills have recently been completed by the Government and construction of a leather footwear factory is now under way. The Government is also building a 25,000 kw. thermal electricity plant in Colombo and plans to undertake much larger hydroelectric development schemes in the near future. It is doubtful whether any major hydro project will be begun during the present fiscal year. Industrial and public utilities development in Ceylon offers to Canadian consultants and contractors opportunities to participate in the growth of this eastern Commonwealth market where Canada is held in high regard.

Nationalization Influences Policy

Following independence, Ceylon has given increased expression to the desirability of greater participation in commerce and industry by Ceylonese. One result has been the "Ceylonization" regulations which channel certain imports through Ceylonese companies; another has been the movement to nationalize certain existing industries. To date only the Port of Colombo and Public Road Transport have been nationalized but the Government has announced that life insurance will be in the near future and a bill has been prepared by the Minister of Commerce which would enable the Government to take over certain privately owned oil-distribution facilities when required.

Outlook Promising

Assuming stability and continued satisfactory export earnings, Ceylon's international buying power should be well maintained during 1961. Total volume and value of imports will probably decrease sharply compared with 1960 because of the higher tariffs and import controls imposed during last year and early this year. These new restrictions will alter the pattern of Ceylon's imports while at the same time stimulating local production, for which increased imports of capital goods, raw materials and skills will be required. Where the Ceylon market is sufficiently large and well protected, local industrialists believe that joint manufacturing ventures with overseas companies could well make a substantial contribution to economic progress. The Ceylon Government welcomes foreign participation in a large number of fields and is prepared to award concessions to new investors in approved industries.

The prospects for Canadian exports to Ceylon have been obscured by the new import restrictions but will depend largely on future Ceylon Government import policy, on the growth of per capita income, and on the establishment of local manufacture or assembly of consumer goods.

Favourable factors are the growing demand in Ceylon for Western-type products, rising incomes, and the increasing variety of Canadian goods which have been offered recently on the Ceylon market. There are uncertainties about the fiscal and balance-of-payments problems that the country faces, and about the rate of economic development. However, the recent announcement by Ceylon's Minister of Trade and Commerce on increasing imports from countries which are themselves good markets for Ceylon products seems to augur well for exports of Canadian consumer goods as well as capital goods and services. ●

Burma Diversifies Economy

Canadians may find better sales opportunities in Burma as the economy expands and industry grows. In 1960 for the first time we sold in this market aluminum in primary forms, asbestos fibre, milk powder, and certain types of paper.

E. H. MAGUIRE, *Trade Commissioner, Singapore.*

HE popularly elected government Burma which took over from te caretaker government in April 960 is energetically fostering the onomic growth of the country. It as announced a Second Four Year an and has balanced the financial dget. Prices have not risen unly, even though most price conols have been removed. Foreign change reserves have fallen eadily from the peak reached in ne of last year, but this causes concern because the sale abroad this year's surplus rice crop, the ain foreign exchange earner, is asred. However, commerce and instry still operate under numerous ntrols and private business must mpete with state-owned organizans. The Government is following more liberal import policy but lateral trade and payment agreeents hamper the free flow of trade. anada's trade with Burma remains nall, though prospects for an inease improve as the country's onomy expands.

Rice production continues to be urma's main industry. Exportable ce surpluses account for about 75 r cent of foreign exchange earnigs. The area under cultivation is ne-fifth below the prewar total but ore efficient growing methods ave boosted production to the prear level of six to seven million ns. Rice exports in 1960 reached 75 million tons and nearly all the 961 surplus (of about the same mount) has already been sold. raditional customers are Pakistan, dia and Indonesia. A new cusmer, Communist China, has contracted to buy 350,000 tons of the 1961 crop. The State holds a monopoly on the export of rice and makes all sales on a government-to-government basis.

Diversification the Aim

The Government recognizes the over-dependence of the Burmese economy on rice and is encouraging diversification of agriculture and greater activity in the mining and timber industries. It has achieved some success in raising output of peanuts and sugar cane and the new crop, jute. Four thousand tons of good-quality jute were produced last year and 10,000 tons or more are expected this year. The Government hopes for increases in production of rubber, tea, coffee, cotton, pulses and tobacco. Teak log and timber production has almost reached prewar levels (Burma is the world's leading supplier of this type of wood). In 1960, teak output rose to 333,000 cubic tons, an increase of 40 per cent over the previous year. Teak exporting is also a state monopoly: only authorized agents may sell it. Shipments of minerals such as tin, wolfram, lead and zinc are still only half the prewar figures. Petroleum production is increasing but not fast enough to take care of requirements. Petroleum reserves are dwindling and a U.S. firm has been licensed to carry out exploration.

The Government supports a policy of allowing more scope to private enterprise but state-owned firms are continuing to expand. For example, the Defence Services Institute, the army's economic branch, has been successfully operating 25 enterprises, including a department store, cannery, poultry farm, bank, shipping line, and the businesses of two large European trading firms. Last month Parliament passed a bill turning over the management of 17 of these firms to a new state entity, the Burma Economic Development Corporation; the Government did this because it feels that the army cannot properly engage in commercial enterprise. Foreign firms jointly own the remaining seven firms but the Government will also turn them over to the new corporation as soon as it solves the problem of take-over.

Import Trade Nationalized

The "Burmanization" of the import trade, announced early last year, came into effect on June 1, 1960. Regulations stipulate that all goods imported under licence must come through Burmese commission agents, except for goods imported direct from foreign suppliers by Burmese purchasers. Some 1,500 Burmese firms, many of them newly formed for the purpose, have registered as commission agents. Goods of United Kingdom origin are exempt from the regulations pending negotiations between the governments.

Foreign exchange reserves reached a peak of $179 million in June 1960 but declined to $140 million by the end of the year, mainly because of seasonal influences. Latest available Burmese statistics show that exports during

—IBRD Photo.

To get away from over-dependence on rice, the Government is encouraging Burmese farmers to try other crops, such as sugar cane. These workers are stripping dry leaves from various types of cane, grown experimentally at a State Central Farm.

the first ten months of 1960 reached the equivalent of $201 million and imports $219 million. Imports during the closing months of 1960 and the early months of 1961 have greatly exceeded exports, but the imbalance is expected to correct itself when the rice shipping season gets into full swing.

Burma's Trade Partners

Burma's main suppliers during the 10-month period in 1960 were Japan $49.6 million (22 per cent); United Kingdom $30.8 million (14 per cent); Communist China $22.4 million (10 per cent); India $18.2 million (8 per cent). In 1959, the U.K. had 19 per cent of the market, India 13 per cent, and Communist China only 7 per cent. China's share is bound to rise further in 1961 as a result of the trade agreement signed with Burma in October. Japan's exports to Burma are inflated by reparation payments made principally in the form of goods. United States exports to Burma are low; discrimination against dollar goods did not end until July 1959 and it is taking time to establish U.S. goods in the market. The United States has shipped cotton and other agricultural commodities to Burma under PL480, and also some capital goods bought with aid funds.

Canada's Trade with Burma

According to DBS figures, Canadian exports to Burma in 1960 totalled $805,000 and imports from Burma into Canada totall
$85,000. These figures chang
little from the previous year. Ai
craft and wheat, which were shipp
under the Colombo Plan, were t
main export items. In 1959, Cana
sold no aircraft in this market b
made larger shipments of whea
That year we exported 80 far
tractors valued at $250,000.
1960, for the first time, we shipp
to Burma aluminum in prima
forms, asbestos fibre, milk powde
book printing and lithograph pape
The accompanying table shows t
totals for Canadian exports
Burma in 1959 and 1960, and t
principal export commodities.

Burma is not an exciting mark
for Canadian exporters because t
country is still in the early stag
of development. Japanese repar
tion goods and goods from cou
tries with which Burma has cleari
agreements make up a good porti
of her relatively small volume
imports. She does not discrimina

CANADIAN EXPORTS TO BURMA

	1959	196
	(in Can.	dollar
Aircraft		320,6
Wheat except seed, n.o.p.	412,200	174,0
Aluminum in primary forms		63,2
Asbestos milled fibres		39,0
Milk powder, whole milk		36,0
Bookkeeping, calculating machines and parts	4,663	28,3
Radio wireless apparatus, n.o.p.	3,053	23,3
Aircraft parts	56,006	23,3
Book printing and lithograph paper		15,8
Automobile parts	1,471	13,8
New passenger automobiles over $1,000	7,177	12,9
Fountain pens, including sets		11,5
Asbestos shorts		9,5
Senega root		3,7
Scales and weighing beams		3,5
Medicinal preparations	1,615	3,4
Pens, pencils and parts		3,2
Others	335,014*	19,8
Total	821,199	805,5

*Including agricultural tractors $250,0

gainst dollar goods and import
cences are being issued more
eely for goods that Canadian firms
an supply.

Among items that may be im-
orted under Open General Licence
re printers' ink, agricultural im-
lements, vegetable and flower
eeds, plastic moulding powder and
ellets, strained baby foods, fishing
ets and twines, educational toys, wire nails, and sporting goods.

Some of the recently issued import licences for all countries covered the following commodities of interest to Canada: tires and tubes, general hardware goods and building materials, textiles, newsprint, vehicle parts, and chemicals; opportunities are increasing for sales of many types of commodities. The Burmese economy will probably continue to expand; the recently announced Second Four Year Plan (details have not yet been made public) calls for an annual increase of 5 per cent in the gross national product. This will be achieved by an annual investment of the equivalent of $200 million. The proposed new rate compares with an annual growth rate of 4.6 per cent over the past four years. ●

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mport and Exchange Regulations in Burma, Ceylon, India and Pakistan

URMA

Import trade is carried on either by the joint venture
rporations owned by the Government or by registered
rivate traders. Of the eleven joint venture corpora-
ons, two import industrial equipment for general dis-
ibution and the other nine deal in textiles, foodstuffs,
uilding materials and hardware. Importers are regist-
ed with the Directorate of Imports and Exports and
assified according to the size and grade of business.
o firm or individual who has not been granted regis-
ation by the Board may import goods into Burma.
nporters are required to renew their registration every
ear. An over-all amount of exchange is approved for
e import of specified commodities and is allocated
individual traders according to their registered grade.

With the exception of imports by the Government,
l goods imported into Burma are subject to licence.
nere are several Open General Licences under which
ecified goods may be brought into Burma freely from
y country. Individual import licences are issued with
eye to the availability of foreign exchange and the
st advantage of the country. Basic economic prod-
ts, such as capital goods and essential commodities
short supply, are given a higher import priority than
xury goods and non-essentials. Import licences, when
ued, are valid for from five to six months and the
riod may be extended under special circumstances.
ey are subject to a licence fee of 5 per cent. When
importer is in possession of an import licence, he is
tomatically authorized to buy foreign exchange.

CEYLON

The deterioration in Ceylon's balance of payments and consequent pressure on foreign exchange reserves necessitated an intensification of import controls during 1960 and early 1961. Individual import licences are now required for an extensive list of items formerly under Open General Licence. Nevertheless, with dollar discrimination removed, Canadian goods should continue to have ready access to this market.

Import controls have been used to encourage Ceylonization of local trading firms through provision of more favourable licensing treatment to firms having a majority of Ceylonese directors or owners. A number of former expatriate companies have taken the necessary steps to "Ceylonize" but some well known firms have not as yet and are consequently restricted in their handling of overseas lines. Import licences are not issued for certain commodities such as flour, import of which is reserved to the Government, nor for products of certain industries established in Ceylon. Licences for a number of "regulated products" are conditional upon the importer purchasing designated quantities of his requirements locally.

INDIA

India continues to maintain a rigorous import trade control policy as the Third Five Year plan gets under way with foreign exchange reserves at a dangerously low level. Such capital goods, components, raw materials and foodstuffs as can be considered essential to India's planned development are licensed. Most consumer goods, and many items now produced in India, are not. Licences to established importers depend on base period performance; those to actual users are granted on an ad hoc basis according to proven requirements. Increasing emphasis is being put upon actual user licences. Special types of licences are issued under the Export Incentive schemes and for government purchases. Licences are usually valid for six months to a year. Shipment must be made within the period specified.

Issuance of a licence generally carries with it the right to foreign exchange which is now available without dollar discrimination. Capital equipment is generally licensed on a deferred payment basis, or as part of an overseas firm's equity in an Indian joint venture, an increasingly popular type of participation in the Indian market. An important portion of India's large annual imports are obtained from countries with which she has rupee payments agreements or from which she receives tied loans or grants.

PAKISTAN

The generally improved trading position in Pakistan in the past two years has permitted some liberalization of import controls. Nevertheless, industrial and c sumer goods continue to be licensed according to t country's essential requirements and its current reser position. Some 186 commodities are now on the lice sible list. These include 62 items on automatic licensi for the six-month period beginning January 19 compared with 29 for the last half of 1960. Includ are a number of items of interest to Canada (*Foreign Trade* of February 25, 1961) which now m be freely imported by an importer holding a categ licence, obtainable as the goods are required.

Importers' categories are determined by performar during a base period, with the share of the catego adjusted at the beginning of each licensing peri Licences to industrial users are issued on an ad h basis. An Export Bonus Licensing Scheme enab exporters of certain manufactured articles to obta special licences for the import of a range of over 2 commodities to the extent of their export performan Import licences usually carry the right to foreign e change which is available without discrimination, ap from certain imports tied to bilateral payments agre ments.

—International Trade Relations Bran

Foreign Tariffs and Trade Regulations

Ceylon

IMPORT DUTIES RAISED—The Government recently announced heavy increases in import duties on a wide range of goods, and a general 5 per cent increase on all imports, excluding food and items which have been allowed duty-free entry in the past. The main items on which duties have been increased are chinaware, cinema films, electrical goods, glassware, hosiery, chocolates, sewing machines, motor spares, musical instruments, paper, newsprint, photographic material, rubber tires and tubes, wireless goods and apparatus, and cloth. Import control regulations were also tightened with a view to reducing imports in general and luxury goods in particular. A wide range of goods has been brought under import control. In future, permits will be required for the import of such goods from any source.

Further details of these controls may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, or from the Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 1006, Colombo, Ceylon —Colombo.

Japan

IMPORT CUSTOMS TARIFF REVISED—A n Japanese Customs import tariff is expected to becor effective on June 1, 1961. The tariff now in use da from 1899, although it has been revised many tim The current tariff is broken down into some 17 grou or categories of goods. The tariff schedule contai 941 rates of duty, of which 764 are ad valorem, ni specific, and 168 items are exempt from duty; 110 a combined or alternative ad valorem and specific rat

From the unofficial translation of the proposed re sion, the new tariff appears to be based upon t Brussels Nomenclature. It is divided into some groups of categories, which are in turn sub-divid into 99 classifications. Under this distribution of co modities there are some 1,100 different tariff iter These tariff items are further distributed into so 2,174 rates. Of these rates 1,805 are ad valorem, specific, 273 are exempt from duty, and 29 are co bined or alternative ad valorem and specific rates.

Further details will be available when the official t of the new tariff is received.

SHIPPING SERVICES FROM CANADA TO CEYLON, INDIA AND PAKISTAN

	FROM		
O:	**Pacific Coast**	**Great Lakes**	**St. Lawrence and Atlantic**
eylon	Java Pacific & Hoegh Lines *(Dingwall Cotts and Co., Vancouver)* P & O Orient Lines *(Union Steamship Co. of New Zealand, Vancouver)*	Orient Mid-East Great Lakes Service *(Montoro Shipping Corporation Ltd., Toronto)*	Canada India Pakistan Line *(McLean Kennedy Ltd., Montreal)* Orient Mid-East Great Lakes Service *(Shipping Ltd, Montreal)* Orient Mid-East Lines *(Ex: Halifax) (North American Shipping Agency, Montreal)*
India	American Mail Line *(Canadian Blue Star Line Ltd., Vancouver)* Java Pacific & Hoegh Lines Marchessini Lines *(Oceanways Agencies Ltd., Vancouver)* P & O Orient Lines Scindia Steam Navigation Co. Ltd. *(Canada Shipping Co. Ltd., Vancouver)* Splosna Plobva Line *(Sea Freight Ltd., Vancouver)*	Crescent Line *(March Shipping Agency Ltd., Toronto)* Hellenic Line *(Furness, Withy & Co. Ltd., Toronto)* Nedlloyd Line *(Montreal Shipping Ltd., Toronto)* Orient Mid-East Great Lakes Service *(Montoro Shipping Corporation, Ltd., Toronto)*	Canada India Pakistan Line Crescent Line *(March Shipping Agency Ltd., Montreal)* Hellenic Line *(Furness, Withy & Co. Ltd., Montreal)* Nedlloyd Line *(Montreal Shipping Ltd., Montreal)* Orient Mid-East Lines Orient Mid-East Great Lakes Services
kistan	American Mail Line Java Pacific & Hoegh Lines Marchessini Lines Splosna Plovba Line *(Sea Freight Ltd., Vancouver)*	Crescent Line *(March Shipping Agency Ltd., Toronto)* Hellenic Line *(Furness, Withy & Co. Ltd., Toronto)* Nedlloyd Line *(Montreal Shipping Limited, Toronto)* Orient Mid-East Great Lakes Service	Canada India Pakistan Line Crescent Line Hellenic Line Nedlloyd Line Orient Mid-East Great Lakes Service Orient Mid-East Lines

NOTE: The agent for each shipping line is shown in italics below the name of the line where it first appears.

Need for larger imports of raw materials and capital goods h resulted in bigger foreign exchange budget for first half of 1961 fis year. Further liberalization of imports expected during this peri

N. W. BOYD, *Assistant Commercial Secretary, Tokyo.*

Japan Announces Import Budget

THE Japanese Government announced on March 31 a record foreign exchange budget for the first half of the 1961 fiscal year covering the period April 1-September 30, 1961. The budget has been set at $3,991 million, an increase of 13 per cent over the budget for the second half of the 1960 fiscal year ($3,530 million) and 22 per cent over the first half 1960 fiscal year budget ($3,268 million). This record budget reflects the increasing need for imported raw materials to support the rapidly expanding Japanese economy. It also provides for larger imports of capital investment equipment to rationalize and modernize Japanese industry and to pave the way for the fulfilment of the import liberalization program.

The foreign exchange budget is divided into two sections—visible and invisible imports. Table I compares the amounts provided under the various headings in the new budget for visible imports with those in the two half-years of fiscal 1960.

The budget for visible imports totals $3,172 million, of which $1,272 million has been allotted Foreign Exchange Allocation ite and $100 million for Automa Fund Allocation items. (Imports Foreign Exchange Allocation ite are subject to quantitative imp restrictions according to the amou of foreign exchange that has be allocated for each individual co modity. No foreign exchange lin tations are imposed on Automa Fund Allocation items, but gover ment approval is required for su imports.) Excluding reserves $200 million, the remainder of t budget for visible imports ($1,6 million) has been established f Automatic Approval items—that liberalized items on which no qua titative import restrictions are i posed. Table I reveals that the val of the A.A. import items has stea ily increased both in real and rel tive terms over the period of t last three budgets. This is partic larly significant because it repr sents the degree of Japan's impl mentation of import liberalizatio which now stands at about 57 p cent, including the A.F.A. iter and excluding the reserves.

TABLE I—VISIBLE IMPORT BUDGET

Item	First half of fiscal 1961	Second half of fiscal 1960	First half of fiscal 1960
	(in thousands of U.S. dollars)		
Foodstuffs	217,696	199,112	212,462
Government monopoly goods (tobacco and salt)	9,210	26,455	10,133
Coal (including coke)	80,636	60,140	55,297
Metals (including ores)			
Non-ferrous metals	99,000	83,000	101,000
Petroleum	241,990	240,666	192,098
Medical supplies	8,194	7,051	5,054
Machinery	430,000	365,000	300,000
Miscellaneous	185,274	498,576	547,956
Automatic fund allocation	100,000	50,000	30,000
Sub-total:	1,372,000	1,530,000	1,454,000
Automatic approval	1,600,000	1,100,000	970,000
Reserves	200,000	170,000	200,000
GRAND TOTAL:	3,172,000	2,800,000	2,624,000

TABLE II—INVISIBLE IMPORT BUDGET

Item	First half of fiscal 1961	Second half of fiscal 1960	First half of fiscal 1960
	(in thousands of U.S. dollars)		
Transportation	111,000	118,000	130,700
Insurance	800	800	100
Overseas travel	10,000	12,000	17,500
Profits of foreign investments in Japan	12,800	15,500	7,300
Expenses in connection with trade	80,000	62,200	47,000
Payments for technical assistance	8,300	7,100	4,900
Other services	47,600	42,000	35,400
Barter trade	1,100	600	700
Long-term capital transactions	97,000	70,500	42,600
Short-term capital transactions	6,000	5,100	400
Commodity transactions	4,400	3,200	2,400
(a) Total Allocation items	379,000	337,000	289,000
Current transactions	328,000	299,000	230,000
Capital transactions	62,000	61,000	75,000
(b) Total Automatic Approval items	390,000	360,000	305,000
Reserves	50,000	33,000	50,000
(c) TOTAL:	819,000	730,000	644,000

ports Liberalized

The A.A. and A.F.A. items in budget for the first half of this cal year, beginning April 1, total ,700 million, up by $550 million er the preceding six months. ost of this increase has resulted m the liberalization of imports raw cotton and wool, two subntial imports for Japan's textile lustry. As of April 1, there are ogether 530 new A.A. items of ich 120 were previously on the F.A. list, and 310 new A.F.A. ms. (Details of these newly-eralized items will be published ortly in *Foreign Trade.*) More nmodities are expected to be eralized later, but during the half-ar under review and after addinal tariff protection has been ovided through the revision of the panese customs tariff which is w under way. As a result, Japan's io of liberalized imports is excted to reach 65 per cent by the l of September 1961.

isible Trade Budget

Table II shows the amounts al-ated for invisible trade payments ler the principal headings, compared with those for the first and second halves of fiscal 1960.

The above makes plain that the appropriation of $819 million for invisible trade has been expanded by 12 per cent and includes $379 million for controlled items (Allocation), $390 million for liberalized items (Automatic Approval), and $50 million as reserves.

Balance-of-Payment Prospects

In the course of preparation of the budget, it has been estimated that between April and June the current account will record a deficit balance of between $40-$50 million a month. However, it is expected that after June raw material inventories will be larger and imports will decrease somewhat. For the entire period April to September, the estimated deficit in the current account is $90 million. This will be more than compensated by a credit balance of $120 million in the capital account. Consequently, based on these estimates, the overall balance of international payments will be $30 million in the black as a result of operations over the first half of the 1961 fiscal year. ●

Canada Buys Egyptian Peanuts

DURING the past year Canada began for the first time to purchase peanuts from the Egyptian Region of the United Arab Republic. Our 1960 imports of peanuts totalled 40,370 tons, of which about 6.8 per cent came from Egypt.

The demand for peanuts in Canada is based on four uses:

1. Those sold shelled or unshelled, by the pound, for direct consumption.
2. Those sold to confectioners for use in such products as chocolate bars.
3. Those used to make peanut butter.
4. Those used to produce oil for such products as margarine.

Egyptian peanuts are particularly suited to the first two uses, which require the highest quality peanuts that command top prices. Egypt's chief competitors in the Canadian market are the United States, Mexico and India.

In Egypt peanuts are grown in sandy soil beside the better cotton and other crop land of the Nile River and Delta. Because of their leguminous nature, peanuts are often used as a first crop on land newly reclaimed from the desert; in addition, the roots, vines and leaves add humus to the soil. Of the 36,000 acres planted with peanuts last year, some 10,000 acres have been reclaimed since 1952. Production is estimated at 35,000 tons; exports in 1960 totalled 10,158 tons in the shell and 2,750 tons shelled, for a gross value of £E1,280,000. This places peanuts fourth in importance among export crops, after cotton, rice, and onions.

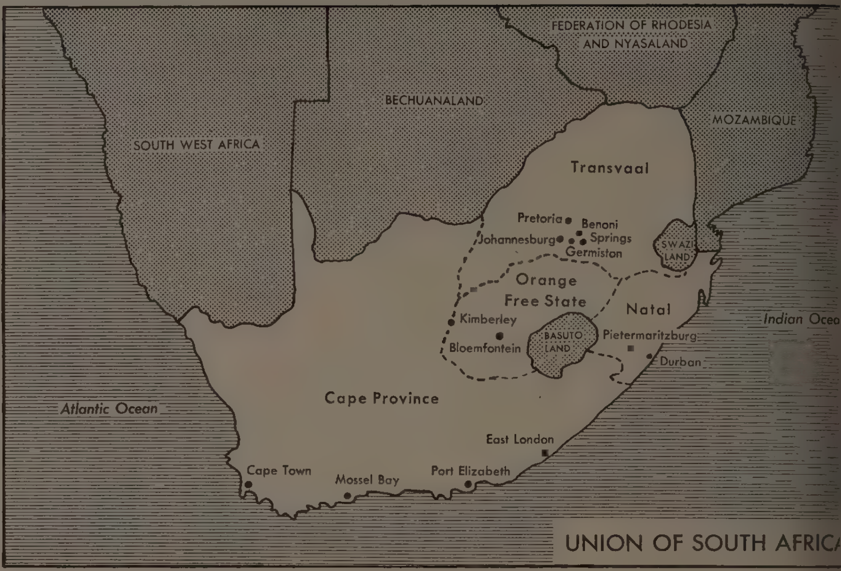
Before the Canadian sales, Egypt's best customers were Switzerland, Czechoslovakia, the Netherlands, Austria and West Germany. In 1961 Canada will probably head the list. Because we demand more shelled peanuts of a higher quality than Egypt's traditional customers, the proportion of shelled to unshelled exports may be nearly reversed. This change in proportion has meant some production delays until new handling methods are put into effect. However, Egypt has purchased cleaning, sorting and grading machinery, has set about training labour, and has adopted numerous measures to fulfill her obligations.

This new business will alleviate Egypt's scarcity of foreign exchange and also help to correct her deficit in trade with Canada.

—D. S. ARMSTRONG,
Commercial Counsellor, Cairo.

Markets in Brief

UNION OF SOUTH AFRICA



Area: 472,685 square miles.

Population: 14,929,000 (1960 estimate).

Climate: varies from temperate to subtropical; some areas semi-arid.

Language: English and Afrikaans.

Currency: new currency introduced on February 14, 1961. Main unit is the rand: R.1.00=100 cents=10 shillings sterling currency=Can. $1.40 approximately.

Capitals: administrative, Pretoria; legislative, Cape Town; judicial, Bloemfontein.

Chief ports: Cape Town, Port Elizabeth, East London, Mossel Bay, Durban. Lourenco Marques in the Portuguese Province of Mozambique (Portuguese East Africa) acts as a port of entry and exit for much of the heavy traffic to and from the industrial area and the northern section of Transvaal Province.

Chief importing centres: Johannesburg (population) 1,052,600; Cape Town 729,200; Durban 634,400; Pretoria 343,400; Port Elizabeth 247,900; Germiston 217,000; Bloemfontein 147,900; Benoni 144,100; Springs 131,200; East London 108,200; Pietermaritzburg 90,500; Kimberley 81,800.

Economy: mainly primary; principal products: wool, Indian corn, fruits, diamonds, base minerals, hides and skins, timber, fisheries, coal. Gold production important.

Total South African imports: 1960—Can.$1,556 million; 1959—Can.$1,368 million.

Chief imports: automobile and truck chassis and parts; railway material and equipment; wheat; tea; clothing; textile piecegoods; industrial (including electrical) material and equipment; gasoline, crude petroleum, lubricating oils; uncut diamonds; rubber; lumber; paper.

Chief suppliers: 1959 (in per cent)—United Kingdom 31.0, United States 17.1, West Germany 10.1, Canada 4.0, Iran 3.6, Japan 3.2, Netherlands 2.5, Federation of Rhodesia and Nyasaland 2.4.

Value of imports from Canada: 1960—Can.$52,655,472; 1959—Can.$51,242,840.

Chief imports from Canada: wheat, automobile chassis and parts, newsprint and other paper, lumber, aluminum ingot, leather, drugs and chemicals, tallow.

Total South African exports: South African produce (excluding gold sales), 1960—Can.$1,105 million; 1959—Can.$1,090 million. Gold sales: 1960—Can.$803 million, 1959—Can. $678 million. Re-exports: 1960—Can.$120 milion, 1959—Can.$109 million.

Chief exports: wool, uranium, cut and uncut diamonds, fresh and canned fruit, base metal and mineral ores, asbestos, copper bar and ingot, ferro-alloys, unmanufactured and semi-manufactured iron and steel, hides and skins, Indian corn, fishmeal, pilchards, mining machinery.

Chief markets: (in per cent) 1959—United Kingdom 28.2, Federation of Rhodesia and Nyasaland 13.6, United States 9.1, Belgium 4.3, West Germany 4.2, France 3.3, Italy 3.2, Japan 3.1.

Value of Canadian purchases: 1960—Can.$11,481,676; 1959—Can.$6,631,912.

Chief Canadian purchases: Indian corn, peanuts, asbest tungsten carbide inserts, industrial diamonds, fresh a canned fruit, brandy and wines, wool, peanut oil.

Dollar exchange: freely available against valid import pern where necessary.

Prices: quote in Canadian or U.S. dollars, preferably c.i.f.

Samples: enter free when of no commercial value; depo required when of commercial value. Deposit is refund on re-export within 12 months. No import permit quired for samples furnished free of charge.

Trade agreements: Canada-South Africa Preferential Agre ment, signed at Ottawa in August 1932, provides f preferences on a few items entering South Africa fro Canada. Canada receives most-favoured-nation treatme on all items other than those receiving preferences und the Canada-South Africa Agreement. South Africa is contracting party to the GATT.

Import controls, documentation, customs tariffs, marking a labelling: most goods are subject to import controls b the control system is non-discriminatory in relation country of supply. As applied, the controls discoura import of commodities the same as or similar to tho made in the Union. For further information consult t International Trade Relations Branch.

Canadian banks: no Canadian banks maintain branches South Africa but all South African banks are cor spondents.

Correspondence: use airmail for all correspondence; lette 25 cents each half-ounce.

For detailed information on this market write to:

Commonwealth Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Canadian Government Trade Commissioner
P.O. Box 715
Johannesburg

or

Canadian Government Trade Commissioner
P.O. Box 683
Cape Town

M. R. M. DALE, Trade Commissioner in Cape Town, is now touring business centres across Canada. In this article, written before he left his post, he outlines the business situation in South Africa from the Canadian point of view, points out the growing emphasis on industrial self-sufficiency, and the import trend to raw and semi-finished materials, industrial machinery and equipment.

The South African Market

OUTH AFRICA, soon to be a public outside the Common- ealth, has the potential for rapid conomic growth—abundant raw aterials and a large labour force. heap power is available through- ut the country, and there is some ady capital and knowhow. South frican production exceeds the de- ands of the fast growing popula- on and there are potential markets r the surplus.

Taxation in South Africa is oderate and non-discriminatory. laries and wages, including those id to non-Europeans, are showing tendency to rise; employment is eady. National income for the hite population stands at $1,140 r head, and even the average na- onal income for the total popula- on of $330 compares favourably ith many older nations.

There has been a tremendous dustrial development in South frica since 1945. In many respects is agricultural-mining economy as been transformed into a pre- ominantly industrial economy. To- ay, the manufacturing industries ontribute about one-quarter of the ational income, more than either ining or agriculture.

rade Grows

South Africa has become an im- rtant trading nation. In 1960, its ports stood at approximately ,556 million, an increase of 14 r cent over the 1959 figure. Ex- rts that year reached $1,105 mil- on, and when gold sales of $803 million are included the total shows an increase of 18 per cent over 1959 sales. This gave South Africa a favourable balance of trade of $352 million in 1960, only slightly lower than that for 1959.

Apart from gold, the main exports last year were hides and skins $34.4 million; wool $135.3 million; maize $28.5 million; preserved pilchards $18.5 million; other fish and fish products $31 million; fresh, dried and preserved fruit $96 million; asbestos $36 million; rough and uncut diamonds $65.5 million, and cut and polished diamonds $31.1 million. Exports of prescribed material under the Atomic Energy Act (uranium) amounted to $136.5 million.

SOUTH AFRICAN IMPORTS 1959

	($000's)
Animals, agricultural and pastoral products	13,401
Foodstuffs	68,998
Ales, spirits, wines and beverages	5,891
Tobacco in all forms	5,522
Fibres, textiles, yarns and apparel	255,828
Metals, metal manufactures, machinery and vehicles	704,696
Minerals, earthenware and glassware	58,666
Oils, waxes, resin, paints and varnishes	143,690
Drugs, chemicals, and fertilizers	74,222
Leather, rubber and manufactures thereof	42,098
Wood, cane, wicker and manufactures thereof	37,229
Books, paper and stationery	66,186
Jewellery, timepieces, and musical instruments	23,514
General	56,011
Total imports	1,555,952

South Africa imports a wide range of commodities; 1959 purchases are listed in the accompanying table under the main class headings.

Opportunities for Canadians

Canada, which now ranks as South Africa's fifth source of supply, is shown as exporting goods valued at $54.2 million to South Africa and importing $9.5 million of its produce. This appears to put the trade balance heavily in favour of Canada, but these figures (taken from recent South African statistics) do not include all South African exports that reach Canada. Estimates of actual purchases by Canada of diamonds, wool and karakul (Persian lambskin) through indirect routes bring our total purchases to approximately $15 million.

The climate is good for expansion of Canadian trade in South Africa, but the pattern has become progressively more complex. Canadian suppliers need to study and understand this market; they should pay close attention not only to developing business with South Africa, but to following up their opportunities once they have succeeded in entering the market. Sales are lost through neglect and this has a cumulative effect. Canada does sell a wide range of commodities to South Africa and, more important, we receive inquiries for many more, all the way from textiles and lumber to cattle and hardware, electric organs and agricultural machinery, most of which we are unable to offer competitively. I strongly recommend that exporters visit this country and personally investigate the potential demand and the existing competition. In most instances, Canadian business visitors have successfully increased their sales and obtained new business.

Emphasis on Industry

It is likely that South Africa's imports in the future will fall more and more into the categories of raw and semi-finished materials and industrial machinery and equipment needed for its own expanding industries. Some of the items South Africa has been looking for include:

Specialized mining machinery
Testing and recording equipment for mines
Geophysical survey and mineral exploration equipment
Inserted tooth saws and teeth
Waterproof clothing for lumbering operations
Railway communication instruments
Automotive transmission gears
Machine tools
Selected chemicals and ethical drugs
Medical/surgical testing equipment (electronic)
Laboratory equipment
Capacity and induction meters
Plug-in relays
Air pollution and dust-collecting instruments
Steam generators
Materials handling and sorting equipment (electronic)
Pulp, sulphate and sulphite
Tape recorders

This swing away from consum items is the direct result of th South African Government's dete mination to strengthen and expa industry. Government policy directed towards the stimulation industries which can produce co modities formerly imported. A ready this policy has affected t paper, lumber, textile, chemica copper fabricating, fish canning, a automobile industries.

South Africa will require co siderable foreign capital for th further development of her indu tries and every encouragement given to foreign companies to ope branch plants in the Union. Can dian capital and knowhow a welcome. ●

GENERAL NOTES

Australia

WAGES—A new statistical survey of wages in Australia has been released by the Bureau of Statistics. The survey comprises a sampling of actual wages received by some 530,000 adult male employees, taking into account payments over and above basic wages, remuneration for overtime, commissions, etc. It reveals that only 5 per cent of the work force receives less than $35 a week (2.7 per cent in retail trade.) At the other end of the scale, one worker in five receives at least $66 a week. The survey emphasizes the importance of overtime and other earnings to the average wage-earner, particularly in the building, manufacturing and mining industries. Commissions and other incentives make up, in general, 8 to 10 per cent of earnings in all industries except mining and quarrying where the proportion is 17 per cent of total earnings—Sydney.

India

CHEMICAL AND MACHINERY IMPORTS—An incentive scheme is in effect for the export of vanaspati and hydrogenated oil from January to June 1961. Under the scheme, licences will also be issued to manufacturers of these products to import the chemicals and machinery spare parts required for the manufacture of vanaspati, if the licence is approved by the Directorate of Sugar and Vanaspati, and the Development Wing of the Ministry of Commerce and Industry, New Delhi. These licences will cover approximately per cent of the f.o.b. value of vanaspati exported—Bombay.

METRIC SYSTEM—The Indian Government inten to fully establish the metric system in measuremen of weight, capacity and length by 1966. It has take initial steps to introduce the system in measurements weight on an optional basis until April 1962, and capacity on an optional basis until April 1963. Son time later it will apply the metric system to lengths.

Although it is desirable that overseas firms confor to these changes as soon as possible, they are liberty, under Ministry of Commerce and Industr Notice No. 11-ITC(PN)/61, to use British units their invoices and shipping documents and there no cessation date for this privilege. However, it w facilitate matters if Canadian exporters or importe endeavour to use the metric system—New Delhi.

New Zealand

FORESTRY INDUSTRIES—New Zealand will nee another million acres of forest by the end of this ce tury, it is estimated. A review of forestry's contributio to the Dominion's overseas income demonstrates th desirability of expanding forest resources and indicat how the country's prosperity is becoming increasing lated to forest industries. During 1959 the total value f such exports was £8.2 million, made up as follows: timber £2.2 million, pulp £2.9 million, paper nd paper board £3.1 million.

The forecast of the probable export value of New ealand's forest products in 1965 has been given as 12 to £15 million; in 1939 it was a mere £200,000 —Wellington.

hilippines

IGHER EXPORTS—The Philippine Bureau of the ensus and Statistics reports that exports from the epublic in 1960 were 5.43 per cent higher than in 959; they totalled Pesos 1.07 billion (Can.$356.4 illion) compared with Pesos 1.01 billion (Can.$336.7 illion) the previous year.

Over half the total was made up of oilseeds, nuts nd kernels, and sugar, followed by wood products, etal scrap, textile fibres, gold, silver, gems and wellery, clothing, vegetable oils and fats, and fruits nd vegetables—Manila.

ortugal

REDIT FOR REFINERY—One of the most important loan or external credit operations under the Second evelopment Plan has been arranged through a bankers' ndicate headed by Kredietbank S.A. of Luxembourg. loan of $10 million will be made in two stages of 5 million each to a Portuguese oil refinery, the ciedade Anónima Concessionária da Refinacao de etróleos em Portugal (Sacor). It will be floated in ve countries: Belgium, the Netherlands, Luxembourg, witzerland and West Germany. To protect the investor om currency devaluation, the loan is to be paid back terms of gold—at present dollar value. The money being borrowed at 5.75 per cent repayable over 17 ears—Lisbon.

ain

OURISTS—The final figures for 1960 show that 113,255 tourists visited this country last year, an crease of 45.7 per cent over the 4,194,686 of 1959. he increase is a record since the 1959 figure, for ample, was only 16.7 per cent higher than the 958 total.

Canadian tourist traffic to Spain is steadily increasg and during 1960, 29,847 Canadians visited the ountry, compared with 18,031 during 1959.

Tourist earnings in 1960 amounted to more than 300 million and paid for almost half Spain's imports st year. Tourists came principally from France 2,553,922), the United Kingdom (624,057), the nited States (492,165), Portugal (350,721), and est Germany (328,137). As a result of an intensive ublicity campaign, Spain has succeeded in attracting a steady stream of visitors during the off season; the number of visitors during November 1960 was 66.1 per cent higher than in November 1959—Madrid.

Sweden

INDUSTRIAL OUTPUT—The volume of Sweden's industrial production in 1960 reached a new peak, up 8 per cent from 1959. This is the largest increase for any year in the past decade and compares with a rise of 3.7 per cent in 1959, 1.8 per cent in 1958 and a previous peak of 6 per cent in 1955. Average annual increase over the past ten years is 3.4 per cent. The 1960 increase was composed of a 9 per cent rise in capital goods and a 5 per cent rise in consumer goods. The paper industry showed the largest relative increase over 1959, up 18 per cent. Iron-ore output rose by 17 per cent, pulp by 14 per cent, timber 12 per cent, steel and other metal manufactures 9 per cent. Employment in the engineering industry rose by 7 per cent. A slower rate of increase was noted in the textile and food industries; leather and shoe production dropped.

According to the preliminary national budget forecast presented in January, industrial production in 1961 is expected to rise by 4 per cent. The shortage of skilled labour, the fact that several industries have reached capacity level, and uncertainties about exports in 1961 were given as the principal reasons for the anticipated slow-down this year—Stockholm.

ORE PROSPECTING IN YEMEN—The Boliden Mining Company has concluded an agreement with Yemen, under which the Swedish company is granted the right to undertake ore prospecting in that country and to exploit the finds. No mining activities on an industrial scale are at present being carried on in Yemen. An expedition headed by the Boliden geologist, Dr. Hans Zweifel, has gone to Yemen to make preliminary investigations expected to last four to five months. A Yemenite, Ahmed Barakat, is working with the Boliden group—Stockholm.

PULP MILL—Four Swedish industries will equip a new sulphate mill to be built by Sociedade Industrial de Celulose (Socel) in Lisbon. The plant will go into operation toward the end of 1962 and an output of 220 tons of pulp per day is planned, using eucalyptus as raw material.

The value of the Swedish equipment is estimated at about Kr.12 million ($2.4 million). Sunds Verkstäder, Sundsvall, is to deliver a complete bleaching plant with a capacity of 150 tons a day and two filter installations, each with a capacity of 120 tons. Rosenblads Patenter will supply the evaporation and heat-recovery plants, and Svenska Maskinverken a soda-recovery plant. Svenska Fläktfabriken has obtained an order for one of its specialties, a dryer with airborne pulp line, and for an electro-filter plant. The wet part of the mill will be supplied mainly by Myrens Verkstäder, Oslo, a shareholder in the Kamyr company—Stockholm.

Venezuela

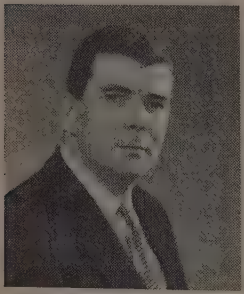
GALVANIZING PLANT—A galvanizing plant is to be installed in the State of Zulia at a cost of some Bs.8 million, 40 per cent of the capital being provide by a United States company and 60 per cent by loca investors. Installation is expected to begin early thi year and within one year the plant will be capable o galvanizing some 36,000 tons of tubing a year. Som of the machinery is to be imported from Germany—Caracas.

TRADE COMMISSIONERS ON TOUR

In Canada

F. B. Clark

M. R. M. Dale



J. G. Ireland

F. B. CLARK, Commercial Secretary in Mexico City:

Toronto—May 23-30
Fergus, Kitchener—May 31
Guelph, Galt—June 1
Brantford—June 2
Hamilton—June 5
St. Catharines, Welland—June 6
London—June 7
Windsor—June 8
Winnipeg—June 13-14
Regina—June 16
Saskatoon—June 19
Edmonton—June 22
Calgary—June 26
Vancouver—July 3-7

M. R. M. DALE, Trade Commissioner in Cape Town, South Africa:

Galt, Kitchener—May 23
Guelph, Fergus—May 24
Hamilton—May 25
St. Catharines—May 26
Toronto—June 5-16
Peterborough—July 3
Ottawa—July 4-14
Montreal—July 17-28

J. G. IRELAND, Assistant Commercial Secretary in Rom Italy:

Montreal—May 23-26
Toronto—May 29-June 2
Winnipeg—June 5-6

Businessmen who wish to see these officers should get i touch with the Board of Trade or Chamber of Commerce i the cities mentioned, with the following exceptions. In Toront Winnipeg and Edmonton, the Trade Commissioners mak their headquarters at the offices of the Canadian Manufacture Association; in Windsor, Ontario, at the offices of the Greate Windsor Industrial Commission; in St. John's, Ottawa an Vancouver, at the Department of Trade and Commerce; i Victoria at the Department of Trade and Industry, and i Fredericton at the Department of Industry and Developmen

In Territory

G. E. BLACKSTOCK, Vice Consul and Assistant Trade Commissioner in New Orleans, will visit Greenville in Sout Carolina, and the Winston-Salem, High Point, Greenshor triangle of North Carolina from May 22-27. From May 29 June 3, he will visit Charlotte in North Carolina, and Columbia and Charleston in South Carolina. If necessary, Mr. Blackstock can be reached through the Chambers of Commerce i these cities.

R. M. DAWSON, Vice Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Tapei, Republic o China (Taiwan), from June 13-23.

C. M. FORSYTH-SMITH and C. J. SMALL, Trade Commissioners in Hong Kong, will visit the following cities i Communist China from the middle of May to the first wee in June: Canton (they will attend the Spring Fair), Pekin Tientsin, and Shanghai.

T. F. HARRIS, Consul and Trade Commissioner in Ne Orleans, will visit Houston, Texas, during the third week o May.

R. F. RENWICK, Commercial Secretary in Port-of-Spain Trinidad, will visit Antigua from June 12-14.

R. L. RICHARDSON, Assistant Commercial Secretary i Port-of-Spain, Trinidad, will visit Georgetown, British Guiana from July 14-17.

Businessmen who would like these officers to undertak assignments should get in touch with them at their posts a soon as possible. Write to Mr. Blackstock and Mr. Harris a New Orleans, Mr. Dawson at Manila, Mr. Forsyth-Smith an Mr. Small at Hong Kong, Mr. Renwick and Mr. Richardso at Port-of-Spain.

COMMODITY NOTES

niline

RANCE—State-owned Houilleres du Bassin de Lor- ine and Compagnie Francaise des Matieres Color- ıtes, the latter controlled by the chemical concern ts. Kuhlmann, have formed a new company, Lorraine niline, to produce aniline. Production, scheduled to art by 1963, will reach 6,500 tons of aniline and 700 tons of byproducts per year—Paris.

oats

USTRALIA—A craft which takes 90 seconds to semble, 30 seconds to pack, and is light enough be carried by hand is one of Australia's more suc- ssful exports. Hundreds of the plywood Foldaboat, ilt in Sydney, have been exported to the United ngdom, South Africa, the United States, Hong Kong d Pacific islands in recent months. The boats are ing used for fishing, duck shooting, flood rescue ork, and as yacht tenders; they have also been opted as light assault craft by the Australian Army. 12-foot craft, capable of carrying five or six people, can be folded into a package 12 feet by 18 inches 4 inches—Sydney.

ellophane

OLOMBIA—A large British company plans to invest S.$9.5 million in a new transparent cellulose film ant in Barranquilla. Production will meet all domes- requirements, and is expected to provide an excess r export—Bogotá.

hemicals

EST GERMANY—Foreign producers sold $695 illion worth of chemicals to West Germany last year one-third more than in 1959—according to the erman Chemical Industry Association. Exports rose 14 per cent to $1,550 million. Organic raw mate- ils as well as plastics, inorganics and synthetic fibres ere the leading imports. Exports of plastics, pharma- uticals and aniline dyes were higher, but nitrogen rtilizer sales dropped—Bonn.

odfish

PAIN—Three thousand tons of codfish (already red and packed) are being shipped from La Coruña northwest Spain to the Portuguese market. The fish s been prepared in the La Coruña factory of the hing company PEBSA, and is valued at some 50 illion pesetas. It comprises the surplus remaining to is firm after supplying the local market. During 1960, EBSA unloaded at La Coruña some 19,000 tons of codfish valued at approximately 280 million pesetas, and it expects to increase its operations this year. As a result, Spain, traditionally an importer of this fish, has become a codfish exporter—Madrid.

Condensed Milk

CEYLON—The National Milk Board, in association with the New Zealand Milk Marketing Board, will set up a factory to manufacture condensed milk. The $360,000 factory is to be located at Tamenkaduwa, one of the best cattle rearing districts on the Island. At present, Ceylon imports about $3 million worth of condensed milk annually, principally from the Netherlands, Denmark, Australia, Czechoslovakia and the United Kingdom—Colombo.

Enamel

AUSTRALIA—A Sydney firm has developed a formula for the world's first water-thinned gloss enamel. Aquanamel dries in less than half an hour, is lead-free and non-inflammable, and there is a complete absence of paint odour. Only two coats are needed for a perfect finish, and climate variations will not affect outside painting time. Thoroughly investigated by independent testing authorities, it has been recommended for inside and outside surfaces—Sydney.

Fluoride

UNITED STATES—Construction of a $1.4 million aluminum fluoride plant is expected to begin in mid-1961 at the Kaiser Aluminum & Chemical Corporation works, Gramercy, La. The plant will provide a major portion of the aluminum fluoride requirements of Kaiser plants and is due for completion in the third quarter of 1962.

Raw material used in the production of aluminum fluoride—fluorspar and sulphuric acid—will be transported to Gramercy by ship and barge. Special alumina hydrate will be supplied from the corporation's alumina plants—New Orleans.

Metals

WEST GERMANY—West German metal foundries produced 275,000 tons of metal castings in 1960, (compared with 220,535 tons in 1959) of which 150,000 tons (1959, 117,543 tons) were of light metal and 125,000 tons (1959, 102,992 tons) of heavy metal. The increase in production of light metal castings was above the previous annual average of 25 per cent, and that of heavy metal castings somewhat below. Of the light metal castings produced, approximately

127,000 tons (1959, 98,698 tons) were of aluminum and 23,000 (1959, 18,845 tons) of magnesium—Hamburg.

Paper

FINLAND—Finland has been rapidly expanding its paper production capacity, according to *Brusewitz Nordisk Papperskalender,* one of Sweden's main business dailies. With 1940 as a base of 100, the 1960/61 index of paper production capacity in the three countries of Norway, Sweden and Finland is 151.92, 208.33, and 265.14 respectively. As a result of this growth, Finnish capacity nearly equals that of Sweden. The total three-country capacity for the year 1960/61 was 4.5 million tons. Norway's share was 17.5 per cent, Sweden's 41.5, and Finland's 41.0.

In recent years the increase in Finnish capacity has been even more imposing. From 1953, Finland's increase in capacity has been 122 per cent, compared with 63 per cent in Sweden and 52 per cent in Norway—Stockholm.

Polyethylene

FRANCE—The newly established Société Petroplastique de Paris is planning to build near Le Havre a $12 million polyethylene plant with a capacity of 20,000 metric tons a year. Jointly owned by Société El Paso France-Afrique, the French affiliate of El Paso Natural Gas Products Company, and Compagnie Française de Raffinage, the new company has been set up to manufacture and sell polyethylene resins and all plastic materials derived from ethylene—Paris.

SWEDEN—A joint company called Uni-Kemi AB will be formed by Stockholms Superfosfat Fabriks AB and Union Carbide Corporation of the United States, for building and operating a polyethylene factory at the planned petrochemical works at Stenungsund on the Swedish west coast. The factory will have an initial capacity of 13,500 tons of high-pressure polyethylene a year.

The new company will have share capital of Kr.40 million ($7.7 million), half of it to be contributed by each group. Union Carbide's contribution will consist of technical knowhow and methods plus deliveries of polyethylene. This will make it possible to start sales on the Scandinavian market before the factory goes into operation; construction will start this year—Stockholm.

Potato Flakes

REPUBLIC OF IRELAND—The Irish Sugar Company has announced the establishment of a potato flake plant at Tuam, Co. Galway. The plant will be in operation in time to handle the 1961 crop and some 5,000 tons will be processed the first year of operation. Through use of a process patented by the United Stat the flakes will give a high-grade mashed potato by t mere addition of hot water, milk and butter—Dubl

Steel

BRAZIL—Anticipated production of steel ingot Brazil this year is estimated at 2.7 million tons, which the National Steel Company at Volta Redon will produce about 50 per cent. Consumption is es mated at slightly over 3 million tons, the deficit to made up mainly by imports of special alloy steels Rio de Janeiro.

Tea

INDIA—Production of tea in India during 1960 expected to approximate 696 million pounds, compar with 716 million in the previous year. A substant decline in output in Northeast India more than offs a 15-million-pound increase in South India. Ceylo Indonesia and Africa are all reported to have produc more tea in 1960 than in the preceding year—Bomba

Tunny

SOUTH AFRICA—Fishing interests in Cape To that sent experimental consignments of tunny to It and America earlier this year have received sm repeat orders from both countries. The Italian firm reported to have offered more than the world price f the second order. The tunny fishers have been usi pilchard boats but are now considering equipping bo with refrigerated storage space so that two or thr days can be spent at sea instead of one. If these inte ests decide to develop this export market, they wou anticipate orders of 1,000 tons each and hope for annual trade worth £1 million—Cape Town.

Whisky

AUSTRALIA—United Distillers Pty. Ltd., produce of Australia's largest selling whisky, have launch an attack on the world's whisky markets with specially distilled whisky. The new Black Gold whis is 76 proof, and the first sales target is the Unit States where there is a rapidly increasing demand f blended whiskies. The export program has been d scribed as the Australian industry's biggest step forwa in its 100 years' history—Sydney.

Wool

NEW ZEALAND—The statutory levy which wo growers pay on each bale for world promotion a research will increase from four to five shillings, sta ing October 1. The increase is the first needed to cov the greatly expanded promotion program announc by the International Wool Secretariat last year. T Secretariat is sponsored by Australian, New Zeala and South African growers—Wellington.

anada in oreign Markets

nadian exporters are invited to contribute to
series photographs of their products in use
on sale in foreign markets. Photographs should
adequately captioned, protected for mailing,
addressed to: The Editor, "Foreign Trade".

eylon—Canada supplied the sole leather for these boots
made in the Government Leather Factory at Mattaku-
This pair is being levelled, the final stage of manufacture.

In India—An Indian chemical and fertilizer company ordered this 50-ton diesel shunting locomotive from Canada. Here a floating crane is used to unload it and swing it onto the dock.

In Malaya—A Canadian line of cleaning liquids, bleach and starch is selling successfully here. The company took space in a Kuala Lumpur trade fair to make its products known.

In India—From the chute of a freight car in Bombay, bulk fertilizer imported from Canada is poured into bags while the workers wait to send it on its way to the Indian buyers.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.01266.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 8	Units per Canadian dollar	Notes (See belo
Argentina	Peso	Free	.01193	83.82	
Austria	Schilling		.03787	26.41	
Australia	Pound		2.2090	.4527	
Bahamas	Pound		2.7613	.3621	
Belgium and Luxembourg	Franc		.01969	50.79	
Bermuda	Pound		2.7613	.3621	
Bolivia	Boliviano	Free	.00008643	11,570.08	
British Guiana	Dollar		.5753	1.74	
British Honduras	Dollar		.6903	1.45	
Brazil	Cruzeiro	Free	.003644	274.42	
		Special Category	Auctions suspended temporarily	Auctions suspended temporarily	
		Official selling			
Burma	Kyat		.2074	4.82	
Ceylon	Rupee		.2071	4.83	
Chile	Escudo	Free	.9387	1.06530	
Colombia	Peso	Certificate	.1474	6.78	
Congo, Republic of	Franc		.01969	50.79	
Costa Rica	Colon	Official	.1759	5.68	
		Controlled free	.1486	6.73	
Cuba	Peso		.9875	1.01266	tax
Czechoslovakia	Koruna		.1371	7.29	
Denmark	Krone		.1427	7.01	
Dominican Republic	Peso		.9875	1.01266	
Ecuador	Sucre	Official	.06584	15.19	
		Free	.05333	18.75	
Egyptian Region, United Arab Rep.	Pound	Official	2.8357	.3526	
		Export account selling	....	....	
El Salvador	Colon		.3950	2.53	
Fiji	Pound		2.4877	.4020	
Finland	Markka		.003086	324.04	
France, Monaco, etc.	New Franc		.2015	4.96	
Franco-African Republics, etc.	Franc		.004030	248.14	
French Pacific	Franc		.01108	90.25	
Germany	D Mark		.2487	4.02	
Ghana	Pound		2.7613	.3621	
Greece	Drachma		.03291	30.38	
Guatemala	Quetzal		.9875	1.01266	
Haiti	Gourde		.1975	5.06	
Honduras	Lempira		.4938	2.02	
Hong Kong	Dollar	Free*	.1709	5.85	*Apr
		Official	.1726	5.79	
Iceland	Krona	Official	.02599	38.48	
India	Rupee		.2071	4.83	
Indonesia	Rupiah	Official	.02194	45.57	
Iran	Rial		.01304	76.71	
Iraq	Dinar		2.7650	.3617	
Ireland	Pound		2.7613	.3621	
Israel	Pound		.5486	1.82	
Italy	Lira		.001591	628.53	
Japan	Yen		.002743	364.56	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent May 8	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3102	3.22	
Mexico	Peso		.07900	12.66	
Morocco	Dirham		.1975	5.06	
Netherlands	Florin		.2748	3.64	
Netherlands Antilles	Florin		.5236	1.91	
New Zealand	Pound		2.7613	.3621	
Nicaragua	Cordoba	Effective buying	.1496	6.68	
		Official selling	.1400	7.14	
Nigeria	Pound		2.7613	.3621	
Norway	Krone		.1380	7.25	
Pakistan	Rupee		.2071	4.83	
Panama	Balboa		.9875	1.01266	
Paraguay	Guarani	Official	.007806	128.06	
Peru	Sol		.03681	27.17	
Philippines	Peso	Free	.3292	3.04	
		Official	.4938	2.02	
Portugal & Colonies	Escudo		.03446	29.02	(8)
Singapore and Malaya	Straits Dollar		.3222	3.10	
Spain and Dependencies	Peseta		.01646	60.76	
Sweden	Krona		.1912	5.23	
Switzerland	Franc		.2281	4.38	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04671	21.41	(7)
Tunisia	Dinar		2.3799	.4202	
Turkey	Lira		.1097	9.11	(7)
Union of South Africa	Rand		1.3807	.7243	
United Kingdom	Pound		2.7613	.3621	
United States	Dollar		.9875	1.01266	
Uruguay	Peso	Free	.08957	11.29	(9)
Venezuela	Bolivar		.2950	3.39	(10)
West Indies Fed.	Dollar		.5733	1.74	(11)
	Pound		2.7613	.3621	(12)
Yugoslavia	Dinar	Official	.001317	759.30	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. For imports of wheat, newsprint and petroleum, the exchange is fixed at Cr.200 to U.S. dollar.
3. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
4. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
10. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

Assistant Trade Commissioners Posted

Seven young men are completing the last half of their head office training and are looking forward to their first posting abroad as Assistant Canadian Trade Commissioners. Successful candidates in a nation-wide competition, they represent five Canadian provinces—New Brunswick, Quebec, Ontario, Saskatchewan, and British Columbia, and seven Canadian universities—Mount Allison, Dalhousie, Montreal, Toronto, Ontario Agricultural College, Western, and British Columbia.

Each new group of Assistant Trade Commission spends about 16 months learning the work of vari branches of the Department of Trade and Commer visiting other government departments, and tour industry across Canada. The 1960-61 group began th tour last fall in Eastern Ontario and travelled throu out the four Maritime Provinces and Quebec. Dur June and July they will complete their coverage of Canadian business scene from Ontario to B.C.

Douglas I. Campbell

Born: Guelph, Ontario.

Educated: Ontario Agricultural College, B.Sc. (Economics) 1960.

Posting: Caracas, Venezuela, as Assistant Commercial Secretary.

James A. Elliott

Born: London, Ontario.

Educated: University of Western Ontario, B.A. (Economics and Political Science) 1959.

Posting: Karachi, Pakistan, as Assistant Commercial Secretary.

Wendell E. Fulton

Born: Lakeville Corner, New Brunswick.

Educated: Mount Allison University, B.A. 1955; Dalhousie Law School, LL.B 1960.

Posting: Oslo, Norway, as Assistant Commercial Secretary.

J. Clark Leith

Born: Brandon, Manitoba.

Educated: University of Toronto, B.A. (Political Science and Economics) 1959; University of Wisconsin, M.S. (International Economics) 1960.

Posting: Ciudad Trujillo, Dominican Republic, as Assistant Commercial Secretary.

Edmond E. Price

Born: Montreal, Quebec.

Educated: University of Britisl Columbia, B. Comm. (Marketi 1959; University of Western Ontario, M.B.A. 1960.

Posting: Sydney, Australia, a Assistant Trade Commissioner.

Paul A. Theberge

Born: Saint-Eleuthère, Quebec.

Educated: University of Montr B.A. 1957, M.Comm. 1960.

Posting: Accra, Ghana, as Assis ant Commercial Secretary.

Norman L. Williams

Born: Toronto, Ontario.

Educated: University of Toro B.A. (Political Science and Economics) 1960.

Posting: Cape Town, South Afr as Assistant Trade Commissio

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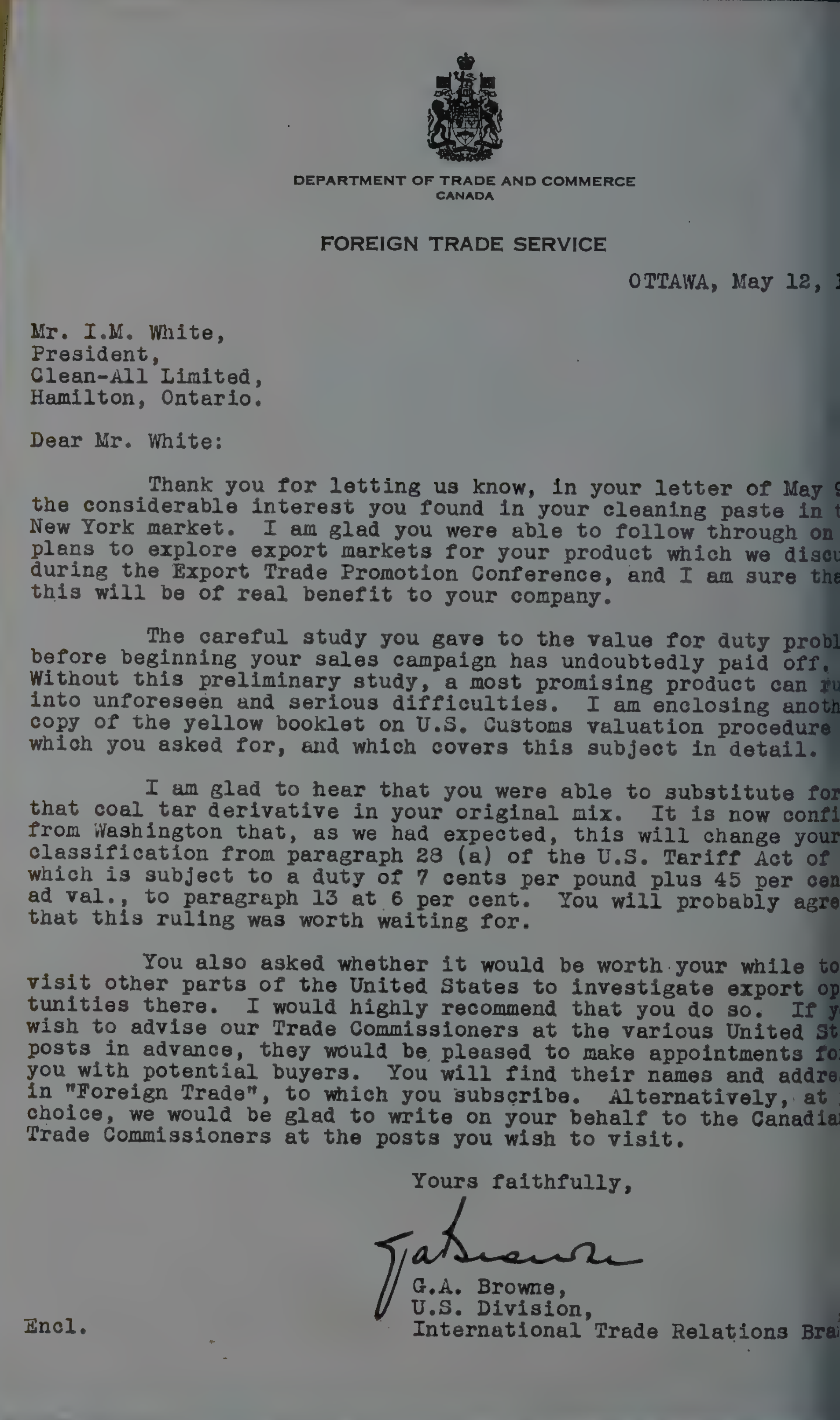

DEPARTMENT OF TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, May 12,

Mr. I.M. White,
President,
Clean-All Limited,
Hamilton, Ontario.

Dear Mr. White:

Thank you for letting us know, in your letter of May
the considerable interest you found in your cleaning paste in
New York market. I am glad you were able to follow through on
plans to explore export markets for your product which we discu
during the Export Trade Promotion Conference, and I am sure the
this will be of real benefit to your company.

The careful study you gave to the value for duty probl
before beginning your sales campaign has undoubtedly paid off.
Without this preliminary study, a most promising product can ru
into unforeseen and serious difficulties. I am enclosing anoth
copy of the yellow booklet on U.S. Customs valuation procedure
which you asked for, and which covers this subject in detail.

I am glad to hear that you were able to substitute for
that coal tar derivative in your original mix. It is now confi
from Washington that, as we had expected, this will change your
classification from paragraph 28 (a) of the U.S. Tariff Act of
which is subject to a duty of 7 cents per pound plus 45 per cen
ad val., to paragraph 13 at 6 per cent. You will probably agre
that this ruling was worth waiting for.

You also asked whether it would be worth your while to
visit other parts of the United States to investigate export op
tunities there. I would highly recommend that you do so. If y
wish to advise our Trade Commissioners at the various United St
posts in advance, they would be pleased to make appointments fo
you with potential buyers. You will find their names and addre
in "Foreign Trade", to which you subscribe. Alternatively, at
choice, we would be glad to write on your behalf to the Canadia
Trade Commissioners at the posts you wish to visit.

Yours faithfully,

G.A. Browne,
U.S. Division,
International Trade Relations Bra

Encl.

Trade and Commerce Can Help Y

Trading with the Soviet Union (page two)

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

JUNE 3. 61

FOREIGN TRADE

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Trading with the Soviet Union 2

Canadian businessmen who would like to try selling their products in the Soviet Union might begin by studying this report. After explaining the Soviet trading system, the author suggests the various methods of approach to this complex market—including trade fairs, sales literature and catalogues, and personal visits.

Chicago Offers Sales Opportunities 6

Want to find a market nearby, with plenty of customers with diverse needs and money to spend? Try Chicago—distribution centre for a huge area, an industrial complex hungry for raw materials and components, home of trade fairs and merchandise marts. Note: Canadian firms are increasing sales there.

How Chartered Banks Help the Exporter 9

A new or inexperienced exporter worried about problems of foreign exchange, documentary drafts, credit reports and so on may not realize that his bank manager can often give him the advice and assistance he needs.

Australia in 1960 11

Canadians have benefited from quick pace of progress in Australia and opening up of market to dollar goods. As boom subsides slightly, will our sales continue—or will pressure mount for imposing import restrictions again to cut down on Australian spending abroad and avoid balance-of-payments problems?

Advertising Abroad: France 13

With Canadian exports to France up 80 per cent last year and greater opportunities for selling a wider range of goods there, exporters will find this careful study of advertising media and methods pertinent and practical.

Latin American Free Trade Area 22

A staff member of the Department's Latin American Division describes the provisions of the Montevideo Treaty, under which six countries are setting up a free trade area, and the various steps to be taken in implementing the treaty.

Mexico's New Mining Law 5
Philippines Develops Hydro Power 16
India Expands Fertilizer Industry II 17

Businessman's Bookshelf 20
Commodity Notes 23
Foreign Exchange Rates 34
Foreign Tariffs and Trade Regulations 27
Head Office Directory 30
Markets in Brief 36
Trade Commissioners on Tour 25
Transportation Notes 26

COMING——BRAZILIANS BUY SEED POTATOES, IN JUNE 17 ISSUE

93844-9—1

How does the Soviet Union conduct its foreign trade?

What opportunities does it offer Canadian exporters ar how can these be exploited?

The author, who opened the office of Trade Commissione Service in Moscow last year, discusses these questions.

W. VAN VLIET,
Commercial Counsellor, Moscow.

Trading with the Soviet Union

THE U.S.S.R. has become one of the world's major trading nations; at present, its foreign trade approximates that of Canada. About three-quarters of it, by value, is carried on with other Communist countries. The Soviet Union's largest non-Communist trading partners tend to be the western industrialized countries but trade with the underdeveloped countries is increasing rather rapidly. A measure of the rate of expansion the U.S.S.R. foresees is given in the Soviet Seven Year Plan, 1959-1965. In this period, they have planned for an increase in foreign trade of 70 per cent; in the first two years the increase reached about 20 per cent (1959) and 5 per cent (1960).

Canada-U.S.S.R. Trade Agreement

On April 18, 1960, a Protocol was signed extending for a further three years the trade agreement between Canada and the U.S.S.R. concluded in 1956. Under this arrangement, the two countries continue to exchange most-favoured-nation tariff treatment. At the same time, exchange of letters took place b tween the Minister of Foreign Tra of the U.S.S.R. and the Canadi Minister of Trade and Commerc in which the Soviet foreign tra organizations undertook to purcha in each of the three years of tl Protocol Canadian goods to a tot value of Can.$25 million, includi not less than 200,000 tons of Can dian wheat, provided Canadian pu chases from the U.S.S.R. equal least $12½ million a year. If tl latter figure is not achieved, Can dian purchases and those of tl Soviet Union are to be in the rat of 1 to 2, with wheat constituti not less than half the value purchases from Canada.

It is difficult to indicate precise the volume of trade between Ca ada and the U.S.S.R. since the b ginning of the renewed agreeme (April 1960) because Canadi import statistics do not show in ports originating from the Sovi Union but shipped to Canac through a third country. For tl eight months April 1-December 1960, imports into Canada fro the Soviet Union totalled $2.7 mi lion and exports from Canada t the Soviet Union totalled $6. million.

The range of commodities ente ing into trade between Canada an the U.S.S.R. in recent years h been narrow. Canadian expor consist largely of grain, nicke primary steel and products, sy thetic rubber, machinery, and pur bred livestock. Imports into Canac from the Soviet Union consi mainly of furs, chemical raw mat rials, non-ferrous ores and cotto ls smaller quantities of such prod-s as birchwood veneers, glass and ches.

iet Trading Structure

3efore attempting to do business h the Soviet Union, it is im-tant to understand its trading tem. Under the constitution of U.S.S.R., trade is a monopoly the Ministry of Foreign Trade, ich controls all exports and im-ts. It assists in drawing up and ordinating plans for products t will enter into trade, both year year and in the long term, and carries responsibility for gen-l trade policy and negotiates de agreements with foreign intries.

The foreign trading corporations ler the Ministry of Foreign Trade the actual buying and selling commodities. These corporations legal entities and each possesses nopoly power to negotiate and iclude contracts for a defined oup of commodities. Canadian ns should bear in mind, how-r, that it is often difficult to ablish from the commodity de-iption alone which organization idles a particular product. The mmercial Division of the Cana-n Embassy in Moscow can easily p any exporter who is in doubt this matter by making direct itact with the corporation.

The Ministry of Foreign Trade tions its own representatives in st countries, either as part of ibassy staffs, as in Ottawa, or separate trade offices, such as itorg in New York. The indi-ual corporations may authorize se representatives to negotiate l sign commercial contracts on ir behalf.

The Soviet emphasis on detailed inning over a broadly co-ordi-ted economic field may lengthen time taken to negotiate import export transactions. If a com-dity has not been included in the nual plan or not in sufficient antity, this omission may not be nedied until the following year. (Many commodities, incidentally, are not offered for export at all.)

How Corporations Function

The foreign trading corporations, in a sense, act as the sole export agents for Soviet manufacturers and as the sole import agents for materials needed by Soviet industry and distribution outlets. It is these manufacturers and distributors who must be made aware of commodities available from foreign countries and their special features. In their requests to the foreign trading corporations, they may express commodity preferences and thus influence the choice of imports. Preferred country of supply, payment potential, and justification of the need for importing the product all play a part in the ultimate decision. Technical suitability to the needs and aims of domestic industry may be the decisive factor and it is the specialized technical committee or institute, in consultation with industry, which makes this decision.

All the conventional sales techniques apply to promoting exports to the Soviet Union. Modern technique is in great demand and short delivery terms can be decisive in placing important orders. Keeping constantly in touch with the trading corporation and supplying adequate copies of all descriptive literature for wide distribution is all-important, and advertising can develop product interest among manufacturers and distributors. The ex-

TRADE WITH PRINCIPAL COUNTRIES

(millions of U.S. dollars at the then official Soviet trade rate of 4 roubles to U.S.$1.)

		1957	1958	1959
All countries	Exports to	4,381	4,297	5,441
	Imports from	3,938	4,350	5,073
Principal Communist countries				
Communist China	Exports to	544	634	954
	Imports from	738	881	1,100
German Democratic Republic	Exports to	862	800	1,030
	Imports from	764	816	889
Czechoslovakia	Exports to	551	447	603
	Imports from	385	512	582
Poland	Exports to	431	377	486
	Imports from	256	265	316
Rumania	Exports to	251	251	232
	Imports from	190	233	249
Bulgaria	Exports to	172	200	290
	Imports from	198	203	261
Hungary	Exports to	250	200	260
	Imports from	107	162	206
Other Principal Trading Partners				
Finland	Exports to	150	117	144
	Imports from	160	137	142
United Kingdom	Exports to	176	145	166
	Imports from	112	73	91
United Arab Republic	Exports to	86	103	109
	Imports from	116	130	99
Yugoslavia	Exports to	83	51	46
	Imports from	57	51	53
India	Exports to	846	130	68
	Imports from	42	51	60
France	Exports to	67	87	88
	Imports from	47	80	100

change of visits is one excellent way to conclude business.

Buying from the Soviet Union

According to the terms of the Trade Agreement an increase in imports into Canada of Soviet commodities leads to an increase of twice that value in Canadian exports to the U.S.S.R. Soviet traders are studying the Canadian import market, getting to know Canadian importers and users of foreign commodities, and discovering what products they have available for export will sell in Canada, as well as the quality and other requirements. Canadian firms could well consider investigating the Soviet Union as a source of supply for a broad range of products, including industrial raw materials, plant machinery (particularly for primary industry), machine tools and specialized instruments and some consumer goods. The Commercial Division, Canadian Embassy, Moscow, will bring inquiries from Canadian firms to the attention of the appropriate foreign trading corporations. These corporations enter into agency arrangements with foreign firms very similar to those under conventional trading practices in western countries.

Exporting to the Soviet Union

The Soviet Union offers a market for virtually all types of commodities, including consumer goods, to varying degrees. To achieve success in building up a continuing market there demands the same attention and methods as are employed in other countries. The volume of Canadian sales will depend on Canadian firms making clear the equality or superiority of their products when compared with those from alternative suppliers.

The Soviets are very bilaterally minded in their approach to foreign trade. The trading corporations negotiating foreign purchases often attempt to obtain assistance from foreign firms in selling Soviet commodities abroad. A Canadian exporter who is in a position to further Soviet sales to Canada may find it easier to make a sale. However, this aspect need not be over-emphasized because Soviet trading corporations buy what they need and are becoming increasingly aware that individual Canadian firms are usually not organized to handle both exports and imports.

Canadian firms with products successfully established in export markets may wish to ensure that Soviet buyers also are made aware of their products. Firms approaching this market for the first time will find that the Commercial Division, Canadian Embassy, Moscow, can be helpful in introducing the Canadian firm and its products to the foreign trading corporation and its officials. Such firms should provide at least three copies of all the normal literature and information that forms the basis for export promotion, plus samples and, at some stage, prices. In addition to its use within the purchasing organization, this material is dispatched to end-users and distributors to obtain their opinion on the suitability of the commodity. It also goes to technical organizations for analysis and recommendations on technical need and suitability for manufacturing or distribution to consumers.

Canadian firms must expect that more time and periodic follow-up, plus normal credit conditions, may be necessary to conclude business.

The bulk of Soviet imports from western industrialized countries consists of raw materials, plant and equipment, specialized machinery, machine tools, and measuring instruments, each of which contains a high degree of technology. The extent to which Canadian firms may consider providing production technique, in whole or in part, may influence sales. The Soviet Union has a patent law administered by the Chamber of Commerce which is a corporation of the Ministry of Foreign Trade; the provisions differ somewhat from the Canadian patent law and companies in western industrialized countries usually prefer
to negotiate the outright sale
production technique and knowh

Advertising

Advertising should not be o
looked. Through a corporation
the Ministry of Foreign Tra
Mezhdunarodnaya Kniga, adver
ing from foreign firms is accep
in about 100 Soviet techni
journals and this list is expandi
These are the journals that
widely read by industry, the
tribution services, and scient
bodies. The agent of Mezhdunar
naya Kniga for Canada thro
which Canadian firms can p
advertising is:

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53 Chandos House,
Buckingham Gate,
London, S.W. 1.

In addition, industrial export
terests in several European co
tries publish technical trade jour
in the Russian language specific
directed to the Soviet market; th
receive reasonable distribution
the U.S.S.R.

The Soviets are avid read
of foreign material and exp
manufacturers can expect that
formation about their products
publications that are available in
U.S.S.R. will receive close att
tion.

Trade Fairs

Industrial exhibitions sponso
by foreign countries, associations
individual firms are becoming qu
common; usually they are held
Moscow but occasionally also
other major centres in the So
Union. There are no fairs in wh
foreign countries can participate
conjunction with Soviet exhibito
Accordingly, each foreign group s
up a fair for its purposes alone. T
year Britain and France are e
holding comprehensive fairs and
1962 the Federal Republic of G
many will do the same.

Such trade fairs offer a uni
opportunity to meet the large m
jority of technical and scient
personnel in related fields of int

throughout the Soviet Union;
iet organizations have been co-
rating in ensuring that their
sonnel have opportunities to
ly the foreign exhibits. Foreign
ibitors appear satisfied with the
ial business concluded and the
ential for increased orders in the
ire. Fairs are naturally costly and
uire careful planning and trade
motion beforehand.

its and Exchanges

n developing trade, the need for
sonal liaison with the Soviet
iness and industrial community
probably greater than in non-
nmunist countries, largely be-
se of the state trading system.
s the combination of visits by
adian industrialists and busi-
smen and visits by Soviet trade
resentatives to Canada that will
rantee the progressive develop-
nt of Canadian trade relations
h the Soviet Union.

number of visits, either by in-
duals or delegations, have al-
dy taken place. Some Canadian
inessmen make regular trips to
scow. Canadian industry delega-
s have met with Soviet trade
scientific personnel and toured
ustrial, manufacturing, and re-
rch installations in industries
h as hydro-electric power, steel,
micals, lumber and pulp and
er, asbestos, and grain. Soviet
le delegations have visited Can-
and have been received by com-
cial and industrial people in
eral primary industries. In addi-
n, Soviet traders have visited
ada individually to develop their
s.

anadians must have visas to
t the Soviet Union and can apply
them to the Soviet Embassy in
awa. The Ministry of Foreign
airs of the U.S.S.R. issues the
s and the Soviet organization
ponsible for receiving visitors has
oice in the granting of these.
nadian businessmen interested in
moting the sale of specific prod-
s will be received by the appro-
ate foreign trading corporation.
its for the purpose of meeting
with scientific and industrial organizations and Ministries of Government other than the Ministry of Foreign Trade are usually arranged by the Soviet State Scientific and Technical Committee. The time necessary to secure a visa varies but is usually not long when the Canadian businessman or firm is known to one or other of the foreign trading corporations. The Commercial Division, Canadian Embassy, Moscow, can often facilitate arrangements for Canadian business and industrial visits if the would-be visitors get in touch with it.

Accommodation in the Soviet can be arranged in Canada through travel bureau agents of Intourist, a corporation of the Ministry of Foreign Trade responsible for travel services to foreigners. There are numerous scheduled air flights to Moscow and the cost of including Moscow or other major cities of the U.S.S.R. in a European business trip is modest. The fact that all organizations primarily concerned with foreign trade and industrial interests are in Moscow usually reduces the time needed for a productive visit.

Trade and Commerce Services

The usual services offered to Canadian businessmen by the Department of Trade and Commerce are available for the development of business and trade relations with the Soviet Union. The Commercial Division, Canadian Embassy, Moscow, was opened following the signing of the Canada-U.S.S.R. trade agreement in April 1960 and has now become acquainted with Soviet personnel and organizations important in furthering Canada-U.S.S.R. trade. Close liaison with this office may prove helpful to those interested in doing business here. ●

If you would like to have a list of the foreign trading corporations in the U.S.S.R. and the commodities each handles, write to the Editor, Foreign Trade, *Department of Trade and Commerce, Ottawa.*

Mexico's New Mining Law

MEXICO recently adopted a new mining law, cancelling and superseding that of August 2, 1930, and aimed at bringing its mining and refining industry under Mexican control within a few years. At the moment, more than 75 per cent of it is controlled by foreign companies. The importance to Mexico of its mineral resources is made clear by the fact that in 1959 they accounted for 26 per cent of its export trade.

Among the main points of the new law are the following:

- The exploitation of mineral resources may be undertaken by three different legal organizations: fully state-owned companies, companies in which government participation is at least 51 per cent, and private companies.
- The Federal Government will grant concessions valid for a period of 25 years.
- Only Mexican citizens and companies with majority control in Mexican hands will have the right to obtain concessions.

The new law will force foreign companies either to sell their interests outright to Mexicans or ensure that, within the next 25 years, 51 per cent of their voting stock is owned by Mexicans. Today, 90 per cent of lead output, 98 per cent of copper, and 97 per cent of zinc comes from foreign-owned mines. Incentive to greater Mexican participation is offered by a tax reduction of 50 per cent on exploitation rights for companies which can prove majority Mexican ownership.

It is expected that the new law and the tax reduction will bring the mining and smelting industry into Mexican control within a few years. The tax reductions should also make Mexican metal prices more competitive on the international market and thus increase general economic activity.

In the last ten years, mining production has risen annually by only 1 per cent, although the gross national product has increased by 4.5 per cent per year during this period. The contraction of U.S. demand for lead, zinc and silver (which, with copper, make up 80 per cent of Mexican metal exports) forced the industry to level off production in 1959-60, because it depends almost exclusively on this market. In 1960, total mineral output, excluding petroleum, rose by 1.5 per cent over 1959.

—GILLES GAGNE, *Assistant Commercial Secretary, Mexico, D.F.*

Chicago Offers Sales Opportunities

D. A. HILTON,
Vice Consul and Assistant Trade Commissioner, Chicago.

The aggressive exporter should not neglect this huge next-d market. With its mail-order houses, wholesalers, large and diver fied industries, varied transportation services, and trade shows, it' place where Canadians can sell competitively a wide range of goo

SINCE the opening of the St. Lawrence Seaway in 1959, the United States Midwest has become oriented as never before to the world of international trade. Exporters coming into this market for the first time are finding out that the city's unique geographical position, coupled with its excellent transportation and distribution facilities, makes it an excellent place to start doing business in the rich U.S. market.

The importance of Chicago as a market centre can be measured by the wholesale sales figure, which in 1960 reached an estimated $21.8 billion. Retail sales during same period amounted to an e mated $9.4 billion: The Chica market draws its strength not o from its large metropolitan popu tion (6,839,400 in the 1960 c sus) but also from the big imp tant adjacent markets. Within 5 miles of the city lies 37 per c of the population of the Uni States and included in this is per cent of the country's fa population. The complexity of distribution system centered Chicago is illustrated by the f that in 1960 there were 12,3 wholesalers in the city and some these firms carry as many as 30,0 items in stock. Ranked in dol value, the leading lines in Chicago wholesale trade are groc ies, farm products, automoti equipment, machinery, paper, el trical goods, drugs and drug su dries, lumber, tobacco produc dry goods and hardware.

Much of the wholesale trade some lines is confined to a Chica specialty—huge buildings call

Active in the campaign to promote Canadian-U.S. trade is the Chicago Association of Commerce and Industry. Photographed at a recent meeting are (left to right): T. Coulter, chief executive officer of the Association; Harry J. Horne, Canadian Consul and Trade Commissioner in Chicago; Nelson White, chairman of the Canadian-American Committee of the Association, and Stan Roush, its past chairman.

rts. Most famous of these is
Merchandise Mart, second only
he Pentagon in Washington for
a covered by a single structure.
de the 25-storey Mart is
tered the city's wholesale trade
home furnishings and apparel.
nost as well known is the huge
erican Furniture Mart, with its
million square feet of show-
ms open to retail buyers every
k in the year. Other industries
e smaller permanent Marts lo-
d in the city.

rehousing Service Offered

he Chicago wholesaler is a
cialist. He will advise manufac-
rs on insurance needs, will fur-
h credit information, recommend
ing agencies, and supply ship-
g and traffic data. As sales are
le, the manufacturer or his local
s representative notifies the
rehouser; he in turn, on re-
ving shipping instructions makes
the bill of lading in the
ne of the manufacturer, marks
ags the packages, turns the ship-
nt over to the carrier, and sends
signed bill of lading to the
nufacturer.

Under instructions from the
nufacturer, on local deliveries
warehouseman will make
.D. collections of the invoice
ce of goods and of freight, ex-
ss shipping or other items. On
-of-town shipments, "order" bills
lading can be executed and
nt drafts drawn. Many manufac-
ers furnish their warehouseman
h a list of customers, authorizing
n to accept direct orders in
ntities specified for each of
m. The use of this "credit list"
cedure saves the time it would
e to get orders from customers
the manufacturer and back to
warehouseman. It also makes
ge open accounts unnecessary.

This warehousing service is open
the exporter as well as to the
al manufacturer. The warehouse-
n generally, however, handles
y lines that have a reasonable
nover and therefore limits his
vices to clients that have established sales outlets in the market area. The Canadian exporter should look upon local warehousing as a second step in entering the Chicago market, following the establishment of steady sales outlets.

If You Want to Sell in Chicago . . .

1. Consider entering a trade show as your first step in this complex market.
2. Investigate warehousing service, once you have established sales outlets and a reasonable turnover.
3. Approach the large mail-order houses, if you are offering consumer goods.
4. Study Chicago industry as a market for semi-processed materials and components for further manufacture and assembly.
5. Look into the possibility of shipping your product by truck, if you export in small amounts.

Mail-Order Opportunities

To many Canadian firms, the Chicago market means just one account—that of one of the many large mail-order houses that make their headquarters in the city. Montgomery Ward, Sears Roebuck, Aldens Inc., Spiegel Inc., and John Plain all have their head offices in Chicago as well as their major buying offices*. These five firms account for 95 per cent of the country's catalogue business. In 1959 total sales from Chicago's 180 mail-order firms amounted to $6 billion. The national mail-order houses are so large that they warehouse throughout the country, but to a large extent they still concentrate their buying at head office.

Supplying Chicago Industry

But if the Midwestern market offers sales opportunities to the manufacturer of consumer goods, it offers just as good a market to the fabricator of semi-processed materials and components for further manufacture and assembly. The city of Chicago is one vast industrial complex. On the basis of the 1960 U.S. census of manufacturers, Dun & Bradstreet rated Chicago as the number one industrial market in the country. The U.S. Department of Commerce calculated that in 1960 the added value of manufacture in metropolitan Chicago was $9.5 billion.

This net figure is calculated on the basis of subtracting from the total value of shipments of manufactured goods the cost of raw materials, parts, components, supplies, fuels, goods purchased for resale, and contract work.

Gross sales of manufactured products last year in Chicago reached just over $24 billion. The difference between the two figures gives a rough indication of the amount of trade in raw materials, semi-finished goods and component parts which takes place in this manufacturing complex. In sales value, the city is the centre for eight industries whose sales exceed

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*See "How to Sell to John Plain" in the July 4, 1959, issue of *Foreign Trade* and "How to Sell Montgomery Ward", August 13, 1960.

a billion dollars a year, and altogether an estimated 6.75 per cent of the total manufacturing strength of the United States is located in Chicago.

The strength of industry in Chicago is based not only on its gigantic size but also on its diversification. There are almost 14,000 plants in the city, producing everything from axles to zippers. Most diversified of all are the fabricated metal products and plastics industries, both of which are large purchasers of completed components for use in assembly and further manufacturing.

Shipping Costs Low

To the Canadian exporter, the accessibility of Chicago is just as important as the size of the market. The city owed its remarkable growth in the late nineteenth century to its location, which made it a transportation hub for the railroad industry. Today some twenty major on-line railroads serve the city. Its canal system makes it the anchor point for trade on the Mississippi Waterway, and its airports are the busiest in the world. But to the Canadian exporter, especially to the exporter shipping in small amounts, Chicago is a prime target because of the low cost of shipping by truck into the market. About 500 common-carrier truck lines operate in the Midwest and each day about 12,000 trucks roll in and out of the city of Chicago.

For most Canadian shippers, Chicago delivery is only about two or three days away from their factory door. For volume shippers, local truckers offer overnight delivery within a radius of 500 miles of Chicago. Many of the major trucking lines have facilities for customs clearance at their freight depots in the city, and shipments to Chicago, properly documented, are no more difficult than shipments to your closest customer. Many of the large freight terminals in the city are integrated operations, thus offering the shipper the facilities for transhipment at the lowest possible cost. Transportation rates within the Midwest are among the lowest in the country.

Trade-Show Centre

All the world knows Chicago as a centre for conventions and trade shows. Each year millions of businessmen travel to the city to check on the new developments in their industries, observe new product lines, and most important of all to the exhibitor, to place orders. The city of Chicago, jealously guarding its reputation as the number one convention city in the United States, late last year proudly opened the new $35 million McCormick Place Exposition Centre. Already this huge building has proved its value and exhibitors at the opening trade fairs have been loud in their praise of its facilities. With the present space at Navy Pier, International Amphitheatre, and the many hundreds of hotel showrooms, Chicago offers a great opportunity for the first-time exporter to come in and test his product within the industry by exhibiting it at an appropriate trade show.

For many manufacturers, exhibiting at a trade fair is the easiest way of entering this rich market. Within four or five days the exhibitor has an opportunity of meeting almost all the major buyers of his product. He can also check on the prices and design of competing lines, and do all this at a relatively small cost. Each year scores of Canadian firms display their goods at trade fairs in Chicago, some under the auspices of the Department of Trade and Commerce in selected trade fairs, but many more of them exhibiting independently in shows particularly suited to their products.

Canadians Are Selling

The Chicago market is big and sophisticated. It is complex and competitive. Sales are rarely made overnight (many of the trade-show exhibitors didn't click until their second or third trip to the city) but the Canadian exporter has the advantage of proximity, similarit
product design, and low ship
cost.

It is difficult to do busines
the United States by mail.
sonal contact is important and
the Canadian exporter has the
vantage of being just a few h
away from his potential custo

Canadian makers of spo
goods, processors of spec
goods, and manufacturers of a
motive equipment can boast
their success in the Chicago n
ket. Even Canadian clothing ma
facturers, whose lines face a fa
high tariff, have found that t
can compete in Chicago.

The Canadian Government Tr
Commissioner's office in Chicag
equipped to help the Canadian
porter wishing to sell in this
market. Businessmen are invited
make the Chicago office a reg
port of call on their trips to
city. Those planning to enter
market for the first time sho
write to the Trade Commissio
outlining the products or serv
they have to offer.

The spadework may be ardu
but the reward is great. The ma
is stable—and unlimited.

Selling to the Seychelles

AN enterprising Canadian exporter
found a market for his vinyl fabric
the Seychelles Islands—thanks to
fondness for reading about fara
places. One evening at home he set
down comfortably with a copy of
National Geographic and turned to
article on the Seychelles, a tiny isl
group in the Indian Ocean. Scannin
picture of the market square in Vict
the capital, he made out the name o
general merchant on one of the st
fronts. Next day he dispatched a le
to the merchant, containing an offer
his company's printed vinyl film go
and enclosing samples. Several mo
later (there is no airmail service to
Seychelles) there came a reply, acc
ing the offer. Soon a shipment of m
coloured vinyl printed materials
drapes, home furnishings, tableclo
and nursery needs was on its
Result: continuing business with a
mote importer.

Iow Chartered Banks Help the Exporter

e former assistant general manager of the Imperial Bank of hada, recently appointed general manager of the newly estab- sed Export Finance Corporation of Canada Ltd., draws upon his erience in discussing the ways in which the bank manager, and International Department at head office, can advise and assist foreign trader.

H. DUKE SCOTT, *General Manager,*
Export Finance Corporation of Canada, Toronto.

E Canadian chartered banks are equal of banks in any country the facilities provided for and ices given (many of them with- charge) to both importers and orters. This article, however, discuss specifically the banks' tionships with exporters and the niques and expertise they em- y.

peaking generally, Canadian in- national bankers have learned r trade through day-to-day ex- ience. Few of them have been ruited from banks abroad, except certain young men who have grated from the United Kingdom perhaps from the Continent, ere they may have had some mentary experience. On the con- y, a number of Canadian-trained akers have in the past been ght by United States banks ich feel that the experience ned in international business in hadian banks has great value.

eign Exchange

The Canadian dollar has not been international medium for the financing of foreign trade and Canadian banks have therefore built up their foreign exchange departments and procedures to a higher degree of efficiency than those in most other countries. In the days of the gold standard before 1914, the Canadian dollar was practically interchangeable with the United States dollar because of the small cost of shipping gold between Toronto, Montreal and New York. Since 1914, however, the fluctuations in the value of the Canadian dollar have resulted in the continued development of the foreign exchange market. It has involved the maintenance of accounts in foreign countries—in many cities in the United States, in London, and in most countries with free exchange rates. The return to convertibility in Western Europe in 1958 has further enlarged these facilities. Communication with all principal branches is done by a network of private wires and phones and banks here keep in instant touch with New York, London, and Continental centres in Europe in the same way. All these arrangements are naturally costly but despite this, the Canadian banks have maintained their competitive position vis-à-vis New York and London and business is handled in volume at almost infinitesimal percentage margins.

Exchange covering the export of bulk merchandise such as grain is handled on very small margins and the exchange rate is an important influence, perhaps the controlling factor. A fluctuation of $\frac{1}{16}$ of 1 per cent in the exchange rate may mean to an exporter the difference between a profit and a loss. The exchange rates on large blocs of grain business are quoted by all the banks both for "spot" and "forward" delivery. It must not be assumed from this that in the matter of exchange rates the banks are indifferent to the small exporter. As in the domestic departments, they cater to the small exporter also and he can always secure close rates from his banker on any amount of exchange for spot or forward delivery up to about six months.

Forecasting Trends

This is not the place to describe in detail the workings of the foreign exchange markets, but I wish to make the point that a fluctuating exchange rate is no handicap to an exporter. The bank will take care of it and in most cases that have come to my notice where an exporter complains that he cannot take the exchange risk, what he really means is that the existing rate does not suit him. A bank can, of course, do nothing about this. In Canada the exchange rate for all countries is a reflection of demand for and supply of Canadian dollars for all purposes, including imports, exports, investment, and so on. Much has been written about the handicap to exporters of the premium on the Canadian dollar that has developed over the past ten years and the statement is made that something should be done about it. We seldom hear just exactly what should be done. Like Mark Twain and the weather, everyone talks about it but nobody does anything.

It is definitely not the function of a bank to forecast future movements in exchange rates, but an exchange trader must face the fact that customers tend to think that a dealer must have some view and he must realize the necessity of giving an intelligent answer to such questions. My advice to the exporter customer is not to be too importunate in seeking the opinion of his banker on the probable trend of the exchange market. The banker is doing his best to help and if he has no view at a particular moment, leave it at that and try again later.

The experienced exchange trader will tell his customer what he knows about the influences that are currently affecting the market and what he knows about influences that may have a bearing on rates in the near future—for example, movements of short- and long-term capital between the principal financial centres of New York, London, Germany, Switzerland, etc. In the short-term field, these will be associated with the current levels of money rates in those centres. In the long-term field, these influences include whether or not large longer-term flotations of securities (provincial, municipal or corporate) are pending in the New York market, whether the movement of capital to Canada for equity investment appears to be waxing or waning, or whether there seems to be some tendency for foreigners to liquidate. The published gold and foreign exchange reserves of Canada, the United Kingdom and the United States are also useful figures to bear in mind.

The Bank of Canada is in the market continuously and its operations are basically twofold: first, the carrying out of a stabilizing policy and second, acting for account of others ("others" being the Canadian Government and other central banks). The Bank of Canada is not able by its charter to do business with commercial companies.

Generally, in this question of foreign exchange I would advise the exporter to maintain more or less continuous contact with his banker, seek all the information he can get about current movements and conditions, and then make up his mind on policy. He should, however, review the situation fairly frequently. This advice may seem elementary but it is just as valid for the importer as the exporter.

Documentation

The banker does not profess to be an expert on shipping, customs regulations, etc., but he can help the exporter a good deal in keeping clear of problems resulting from faulty documentation. This applies not only to shipments made under letters of credit but also to bills with documents attached and lodged with the bank for collection. With letters of credit the exporter must satisfy himself that the opening bank is responsible and if he has any doubt, he should ask for a letter of credit to be confirmed or guaranteed by a Canadian bank. He must, of course, be sure that the wording of the letter of credit makes it clear that it is irrevocable and that he can furnish the complete set of documents called for within the time allowed under the letter of credit. The letter of credit should be examined carefully as soon as it is received and if there are any conditions that the exporter cannot meet, he should seek an amendment from his customer. The bank can, of course, help him in interpreting or explaining the wording of the letter of credit.

A word now about exports paid for by a draft, either at sight or term and with or without documents attached. In the course of their business, Canadian banks have built up a network of correspondent banks throughout the world, or at least in every country with which Canada does an appreciable amount of business. In all cases, they have carefully selected responsible institutions and have made detailed arrangements for the handling of
Canadian business—including,
course, the important duty of
collection of clean and documen
drafts. These facilities are
up-to-date at considerable expe
The importer abroad, influen
possibly by his own banker,
from time to time ask the expo
to instruct his bank to send
draft for collection to his (the
porter's) bank. If this is done,
Canadian exporter sacrifices
siderable advantages and perh
incurs unnecessary risks and
in very special circumstances sh
he accede to this request. Thi
not the place to discuss in de
the many ramifications of do
mentary letters of credit. Bo
have been written on the sub
and it is enough to say that
chartered banks have had long
varied experience in this field
are well qualified to help their
porter customers with any proble
that arise.

Credit Reports

A credit report from a bank
in rather a different category fro
report made by a mercantile agen
Both are necessary when one
dealing with new customers.
bank report will probably not
as detailed as the mercantile age
report, but at the same time
bank can advise the customer
government financial restrictio
such as foreign exchange control
the country in question. These c
trols vary considerably from co
try to country but full informat
about them is usually on file in
International Departments at
banks' head offices.

These are only a few of
specific ways in which the charte
banks can help and are help
Canada's exporters. A closer liais
between the exporter and his ba
is useful in many other ways.
exporter's main contact is,
course, the manager of the bra
where he maintains his account.
addition, in all banks the advice
counsel of the specialized Int
national Department at head of
are always available to him. ●

Australia in 1960

Economic boom, removal of import restrictions have brought some problems in their wake but prosperity continues. Canadian sales almost doubled in 1960; should increase this year also, but probably not at the same rate.

R. B. NICKSON, *Commercial Secretary, Canberra.*

STRALIA achieved in 1960 ex- tionally high levels of economic vity and growth. New money ed on the stock exchange by tralian companies increased stantially. In the first three rters of 1960, retail sales rose about 8 per cent over the same iod of 1959. Sales of motor icles increased by 16 per cent r the previous year. Industrial duction made impressive gains: example, output of radios in- ased by 76 per cent, electric tors by 37, blankets by 11, paints 6 and tobacco by 4.5 per cent. the end of November 1960, htly more than three million ple were employed in non-rural ustries in Australia, 100,000 re than in the same month of 59. There were only 4,300 istered at that time as awaiting cement—or about 1.5 per cent the labour force. Wages went up over 6 per cent in 1960.

For most of 1960, in fact, Aus- lia was in the midst of a boom. is was reflected in a considerable ount of land speculation, high ck-market prices, and price rises both the retail and wholesale els. Under these circumstances, Government has since early 60 stressed the importance of ping inflation in check.

ports Down, Imports Up

With the notable exception of eat, certain sectors of rural out- t declined in 1960. Australian duction of wool, it is estimated, ll reach about 1,600 million pounds in the year ending June 30, 1961; actual production in the previous year totalled 1,689 million. Production of meat in the five months to November 1960 fell by 13 per cent compared with the similar period of 1959.

To some extent, these declines in production were reflected in generally smaller exports last year; in the second half of 1960, for example, these reached only £417 million, compared with £467 million in the same period of 1959. Imports, by contrast, increased substantially—to £561 million in the second half of the year, compared with £429 million in the same period of 1959. Main reason for this rise was, of course, the high level of economic activity, combined with the almost total removal of import restrictions in February 1960. As a result, the balance of payments became increasingly adverse and the foreign exchange reserves declined by £35

PRINCIPAL CANADIAN EXPORTS TO AUSTRALIA

Commodity	1959	1960
	(in '000 $)	
Newsprint	13,021	19,552
Automobile and truck parts	5,723	16,054
Aluminum	6,940	11,255
Softwood lumber	6,381	9,389
Synthetic rubber and basic plastic materials*		5,398
Automobiles and trucks	3,130	4,967
Sulphate pulp	1,706	3,556
Asbestos	3,535	3,477
Steel plate and sheet	1,232	1,963
Nickel	733	1,594
Motor vehicle engines and parts	651	1,231
Copper	176	1,167
Steel bars	672	1,136
Plastic film and sheet*		945
Synthetic fibre yarn	232	900
Chain saws and parts	nil	877
Marine engines and parts	54	823
Ball and roller bearings and parts	629	735
Bookkeeping and calculating machines and parts	729	727
Scientific apparatus	295	682
Canned salmon	561	631
Combines and parts	413	581
Canned sardines	264	504
Packages	439	461
Other machinery and parts	582	459
Electrical apparatus and parts	76	401
Aircraft and aircraft parts	51	378
Sausage casings	234	369
Parts of farm implements	226	358
Sandpaper and emery cloth	286	315
Farm tractors	nil	259
Papermakers' felts	124	245
Paper and pulp mill machinery	161	228
Canned ham	nil	221
Other motor vehicles and parts	113	218
Taps and dies	nil	208
Typewriters	71	203
Metalworking machinery	99	189
Sulphite pulp	6	178
Calcium compounds	170	175
Synthetic fibre fabrics	79	154
Manufactures of non-ferrous metals	54	136
Aircraft engines and parts	99	133
Cotton fabrics	31	108
Clocks and watches and parts	25	99

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*Not separately shown before 1960.

million in the first half of 1960 and by £136 million in the second half. At the end of December the reserves stood at £376 million.

Controlling Inflation

In announcing the removal of import licensing in February 1960, the Government stated that one of its intentions in taking this step was to attempt to control inflation to a greater extent and to permit a rise in imports to meet real deficiencies in local requirements. In the Budget in August, it provided for a close balance between expenditure and income and for some increase in revenue by a slight rise in income tax. In November, following a continued substantial deterioration in the overseas reserves, it introduced a number of measures designed to slow down the rate of growth of the economy and decrease imports. The principal ones were a substantial increase in credit restrictions, a rise in the motor vehicles sales tax, and the refusal to permit any longer the deduction from income tax on corporations of interest on convertible notes.

There is evidence that the measures adopted in November are beginning to take effect. Sales of motor vehicles have slumped and this has resulted in some layoffs in the industry. The rate of housebuilding has declined and stocks of timber, both locally produced and imported, have increased. The volume of new consumer credit outstanding has contracted and appliance sales have gone down. The amount of land speculation has declined. There is evidence also of an accumulation of inventories for a range of goods in addition to timber. There has been some dropping off in industrial production in recent weeks.

So far the government measures and their effects have not been reflected in the import figures. In the three months, December 1960 and January and February 1961, imports reached an annual level of £1,144 million. However, some evidence is developing that import levels too should decline relatively soon. Importers have been slower in moving goods out of the bond warehouses in recent weeks and the import community has become increasingly reluctant to undertake new overseas commitments.

Will Import Controls Return?

There has been some pressure in recent weeks for the reimposition of import controls, on the grounds that the measures taken by the Government have had an adverse effect upon economic activity within the country but have not had a direct and favourable effect upon the balance of payments.

The Government has stated that it does not intend to alter its basic policies, which are to provide for stable economic growth, and that it will not reimpose import restrictions in present circumstances. Ministers have asserted that the Government will, however, modify its program as changed economic conditions warrant. For example, the extra sales tax on motor vehicles that was introduced in November was removed late in February. Government spokesmen have stressed that most of those who were laid off in the motor and other industries recently have found jobs elsewhere and that in the last few months quite serious shortages of labour have cropped up in some sectors.

Canada Doubles Sales

As a result of the economic boom and the removal of import restrictions, Canadian exports to Australia in 1960 increased substantially—to $99 million from $54 million in 1959, or almost 100 per cent. Australia now ranks as Canada's fifth export market. As the attached table shows, there have been substantial gains in exports of long-standing importance in Canadian trade with Australia, such as lumber, pulp, newsprint, aluminum, motor cars and parts, and a range of raw materials. In addition, however, Canadian sales to Australia of producers' goods such as machinery, chemicals, and components for industry have also expanc greatly.

Not only has there been a su stantial increase in exports but a an increasing diversification. T number of commodities export to Australia in 1959 was 176; 1960, the figure climbed to 2 The Australian market is therefo not only of special value and i portance to Canada as an outlet raw materials but (in contrast most other export markets) is a of particular importance for mar factured goods. The preferent tariff system appears to be a ma factor in the diversification of Ca adian exports to Australia.

Prospects in '61

In 1961 Canadian exports Australia are expected to be fluenced by the Governmen recent credit and other restrictio indeed, there was a small decli in the fourth quarter of 1960 co pared with the third quarter. It however, a cardinal element of t present Government's policy to pr mote a continued growth of t economy and there appears to a sound basis for such growth. the circumstances, therefore, Au tralia will continue to offer especially important and favourab market for Canadian goods, though some Canadian produ will be affected by the growth a diversification of domestic indust and the rate of increase in Can dian exports will probably not as great in 1961 as it was 1960.

Going to Copenhagen?

Canadian businessmen who wish visit Copenhagen, Denmark, during t summer should book hotel accommod tion well in advance. Recently visito have found it difficult to get a ho room. Our Commercial Counsellor Copenhagen suggests that visitors ma early arrangements for hotel accomm dation through travel agencies or writing to the Central Booking Offic Hotelcentralen, Kiosk P, Hovedbanegaa den, Copenhagen, Denmark.

Advertising Abroad

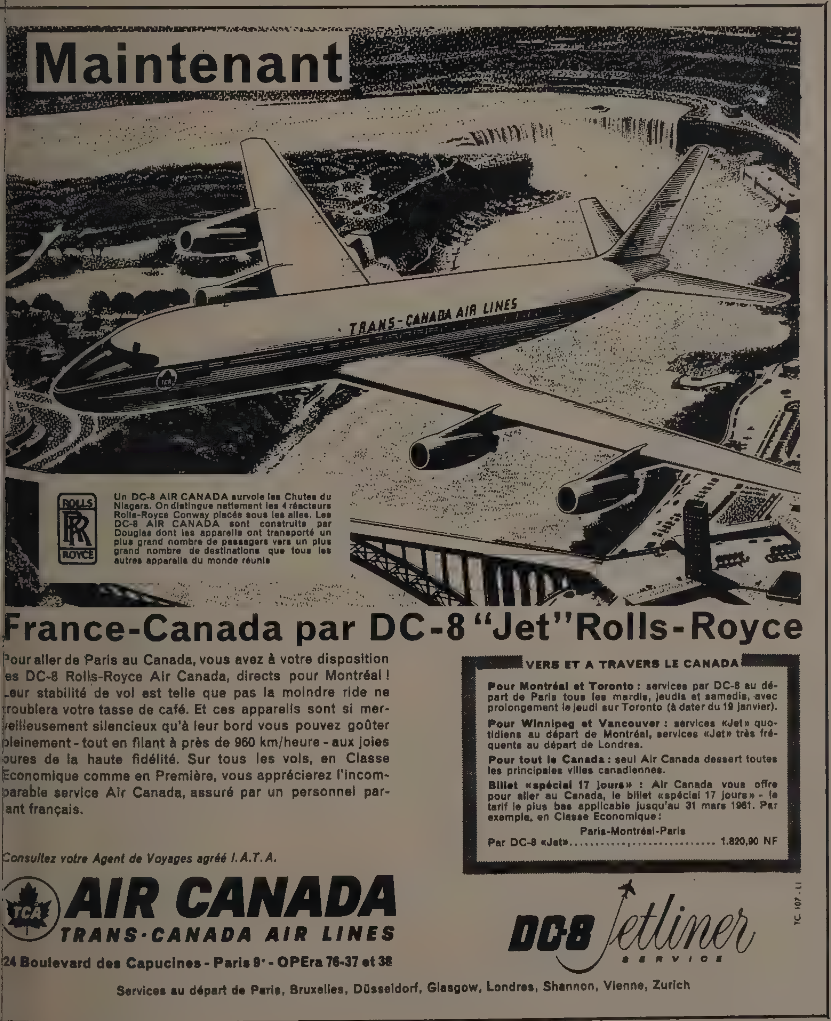
France, advertising copy must cater to the French- n's strong individuality and sense of good taste—and bear in nd his lack of interest in "keeping up with the Jones's".

G. KNIEWASSER, *Commercial Counsellor, Paris.*

E advertising business in France made rapid strides over the past years. Economic recovery, im- t liberalization, and the acceler- d implementation of EEC trading arrangements have made thousands of new products available to French consumers. The age grouping of the French population is now heavily weighted in favour of young people, and consumers are becoming receptive to new ideas and to new patterns of living. The time is ripe for Canadian exporters interested in this market to reappraise their selling arrangements and to consider appropriate advertising campaigns.

There are over 4,000 individual firms in the advertising business in France today; 600 of them employ more than six people and 120 firms are equipped for market research. All the large agencies are located in Paris. It is estimated that over $325 million was spent in advertising and related services in France last year, or 0.6 per cent of the gross national product; this works out to about $7.00 per capita. These expenditures will double over the next ten years as an increasing percentage of personal income is spent on branded goods and consumer durables—a trend that is already well established.

Many of the large international advertising agencies well known in Canada are active in France. They have found Paris an effective centre for their operations and a number of them use their Paris offices as a base of operations for the six countries making up the European Economic Community. All of them have developed close and useful relations with the offices of the many foreign governments and international agencies located here. Through these



Un DC-8 AIR CANADA survole les Chutes du Niagara. On distingue nettement les 4 réacteurs Rolls-Royce Conway placés sous les ailes. Les DC-8 AIR CANADA sont construits par Douglas dont les appareils ont transporté un plus grand nombre de passagers vers un plus grand nombre de destinations que tous les autres appareils du monde réunis

France-Canada par DC-8 "Jet" Rolls-Royce

Pour aller de Paris au Canada, vous avez à votre disposition es DC-8 Rolls-Royce Air Canada, directs pour Montréal ! Leur stabilité de vol est telle que pas la moindre ride ne roublera votre tasse de café. Et ces appareils sont si merveilleusement silencieux qu'à leur bord vous pouvez goûter pleinement - tout en filant à près de 960 km/heure - aux joies ures de la haute fidélité. Sur tous les vols, en Classe Economique comme en Première, vous apprécierez l'incomparable service Air Canada, assuré par un personnel parant français.

VERS ET A TRAVERS LE CANADA

Pour Montréal et Toronto : services par DC-8 au départ de Paris tous les mardis, jeudis et samedis, avec prolongement le jeudi sur Toronto (à dater du 19 janvier).

Pour Winnipeg et Vancouver : services «Jet» quotidiens au départ de Montréal, services «Jet» très fréquents au départ de Londres.

Pour tout le Canada : seul Air Canada dessert toutes les principales villes canadiennes.

Billet «spécial 17 jours» : Air Canada vous offre pour aller au Canada, le billet «spécial 17 jours» - le tarif le plus bas applicable jusqu'au 31 mars 1961. Par exemple, en Classe Economique :

Paris-Montréal-Paris
Par DC-8 «Jet».. 1.820,90 NF

Consultez votre Agent de Voyages agréé I.A.T.A.

AIR CANADA
TRANS-CANADA AIR LINES
24 Boulevard des Capucines - Paris 9ᵉ - OPEra 76-37 et 38

DC-8 Jetliner SERVICE

Services au départ de Paris, Bruxelles, Düsseldorf, Glasgow, Londres, Shannon, Vienne, Zurich

Among the Canadian enterprises making good use of advertising media in France is Trans-Canada Air Lines, stimulating business for its new DC-8 jets. Here is a typical advertisement that appeared a short time ago in a French newspaper.

contacts, new business is being developed in other European countries and elsewhere.

How the Industry Works

Naturally, an industry like advertising, which must be sensitive to national psychology and predilections, has developed along traditional French lines. The standard of workmanship is high. Advertising copy, films, posters, and radio spot announcements are carefully and artistically prepared. A strong effort is made to appeal to the unshakeable individualism of the French consumer and to his sense of good taste. The industry is not as high pressure as in North America nor does it move as swiftly. In recent years it has made rapid progress in bringing into effect modern advertising techniques but to be rewarding, these must always be adapted to a French context. An appeal to consumers is apt to be more successful, for example, if it stresses quality rather than common use. What the next-door neighbour and his family buy is of much less concern in France than it is in North America.

Canadian businessmen who advertise here must keep in mind that advertising copy suited to Canadian tastes may well be ineffective or even detrimental in France. The services of a reliable and experienced French advertising agency are indispensable. Appropriate arrangements can be made through Canadian agencies which have correspondents in France or directly with the industry centered in Paris.

Decentralization Recommended

Another important point to keep in mind is that, although Paris is the business and administrative centre of the country, advertising in the provinces can often bring good results. The Parisian is overwhelmed daily with advertising from all sides
and by the innumerable trade sal
and expositions for which this
is famous. Generally speaking,
must spend a great many adver
ing dollars in Paris to make an
pression. A local airline, for
ample, reports considerable succ
as a result of a revised advertis
campaign based on limited pos
and point-of-sale advertising in P
and an intensive newspaper
direct mail effort in selected pr
inces.

Advertising Rates for Leading French Periodicals

Title	Circulation	Black & white full page (new francs)	Colour page (new francs)
Paris-Match	1,564,000	21,500	35,000
Jours de France	427,000	5,000	10,000
Sélection	1,216,000	7,600	8,900
Constellation	532,000	3,100	4,500
Noir et Blanc	291,000	4,000	
Point de Vue *(Images du Monde)*	237,600	3,000	5,000
Women's Magazines			
Marie Claire	1,065,000	18,700	32,000
Marie France	717,000	11,500	21,000
Elle	638,000	8,100	19,500
Echo de la Mode	963,000	10,000	15,000
Bonnes Soirées	609,000	6,600	10,000
Femmes d'Aujourd'hui	834,000	8,800	14,500
Nous Deux	1,449,000	15,000	26,000
Intimité	651,000	7,000	9,000
Confidences	448,000	7,500	9,000
Vie Catholique Illustrée	565,000	6,500	15,000

Weekend Papers

Title	Circulation	Price per printed line (new francs)
France-Dimanche	743,000	4.00
Ici Paris	835,000	5.00
La Presse	200,000	3.50
Journal du Dimanche	644,000	9.50

Current rates subject to change.

The important thing to keep
mind in these matters is that,
the first time in twenty yea
French consumers in such cities
Marseilles, Lyon, Strasbourg, L
and Bordeaux can now buy fr
Canada almost any product th
wish. During 1961 import contr
are scheduled to be removed on
non-agricultural products. Busine
men in the provinces no long
have to deal through importers
distributors in Paris who ha
been successful in securing imp
licences. They can now make th
own arrangements and their de
sions can be affected by well c
ceived advertising.

Trade Press Important

Another way of stretching adv
tising dollars in France is by ma
ing use of the trade press. Indus
here is highly organized. M
French trade associations
"groupements" publish monthly
views which include advertis
material. Rates in these publicati
are low in relation to Paris dail
and promotion material stands
good chance of reaching prospect
buyers. Support of local indus
associations in this way can also
good public relations. Indus
yearbooks are common and h
a high prestige value.

Newspapers and Periodicals

Newspapers and periodicals
the most widely used media
advertising in France. The *Annu*
de la Presse, the French press dir
tory, lists 15,000 newspapers
periodicals which are publis
regularly.

Generally speaking, to be effeciv newspaper advertising must be nsive. Local advertising agencies r in a position to advise on the ection of an appropriate publicaid and can arrange for the preprtion of appealing copy.

The tables accompanying this rcle list the principal newspapers rl periodicals and give an indicaid of circulation and advertising cts.

ADVERTISING RATES FOR PARIS DAILIES

ies	Circulation	*Price per printed line (paid space) (new francs)
uro	405,000	9.50
rore	372,000	9.00
sien Libéré	759,000	14.00
nbat	65,000	6.00
ération	116,000	6.00
s Jour	175,000	6.00
nce Soir	1,138,000	25.00
s-Presse	105,000	25.00
Monde	156,000	4.50

Current rates subject to change.

dio, Television, Cinema

Advertising is not permitted on French radio or television netrks, which are government conrlled. However, French-language insmitters in Luxembourg, The ar, Monte Carlo and Andorra do booming business in advertising oducts to French listeners. These tions maintain business offices in ris which arrange for advertising pts. The peak listening periods between 12.30 and 1.30 p.m. d between 7.30 and 9 p.m. Adrtising rates vary greatly, depend- on the length of time, the hour broadcasting, and the station. ey tend, on the whole, to be ghtly lower than in Canada.

Advertising in French cinemas is w well established and is effece for many products. It is the actice to show promotion slides films before feature presentations d during intermissions in regular ograms. Close to 70 per cent of ench moviegoers are under 40 and cinema advertising is consequently designed to appeal to the young and has a high entertainment value. Advertising slides and films are skilfully prepared, usually in colour, and often humorous. They are also expensive. One theatre chain, for example, charges $16,000 for the right to show a one-minute film for eight weeks in its 405 theatres in the Paris area.

There are three experienced firms in Paris in the business of preparing slides and films for cinema advertising.

Outdoor Advertising

Posters and billboards are used, but not as much as in Canada. Prices vary enormously with the desirability of the location and the season. Some three million people leave Paris during July and August and advertising rates decline sharply. During the peak winter season, a painted textile panel 25 by 20 feet in the Champs-Elysées costs about $4,500 per month. Billboards along national highways are strictly controlled.

A wide range of advertising appears throughout the national transportation system. Railways, metros and buses are nationalized but are eager for publicity material. Two Paris companies control all advertising for subways, buses and trains.

Direct Mail

Other forms of advertising—such as direct mail campaigns, point-of-sale displays and handouts—are also important. To be effective, they must of course be done well and capitalize on something distinctive or unusual. A Canadian airline recently sent large imitation telegrams announcing a new jet service to prospective clients, signed "Monsieur Castor". The Canadian "beaver" theme was continued with great success in an intensive direct mail campaign.

A local biscuit manufacturer is currently shipping his products in cartons that convert to shopping bags—an ingenious idea in a country where groceries are generally unwrapped and housewives have to juggle their purchases through busy streets.

Government Regulations

There are many government controls on advertising. Pharmaceutical advertising is strictly supervised by the Ministry of Health. Alcoholic beverages can be promoted by brand name only. Other regulations prescribe conditions for advertising in theatres and public places. The services of an experienced local agency are needed to avoid difficulties.

A general tax of 9.29 per cent is levied on all advertising appearing in officially registered newspapers and periodicals, at the movies and on billboards. This tax is refundable if the products are manufactured in France.

Public Relations Important

Canadian businessmen are in a particularly favourable position in France. Historical and cultural ties are close and important. Canadians are warmly received but in turn are expected to sympathize with France in terms of sentiment, language and common goals. Participation in community activities, Chambers of Commerce, trade associations and, above all, the use of the French language whenever possible will be interpreted here as good manners and consequently good business sense.

Effective public relations with the press and trade associations can lead to favourable news stories in influential newspapers and even on the nationalized radio and television networks, which do not accept advertising material.

It is becoming increasingly important to consider advertising in promoting export business in France. There are many new trade opportunities here and Canadian Trade Officers in Paris are convinced that appropriate advertising programs can, in many cases, lead to new sales. They are in a position to assist Canadian businessmen in making suitable arrangements. ●

Philippines Develops Hydro Powe

Growth of industry has emphasized need and stimulated planning for new hydroelectric projects; market for power equipment and machinery will increase when projects are implemented.

R. MORANTTE,
Office of the Consul General and Trade Commissioner, Manila.

SINCE the Second World War, the Philippines has made good progress in building up more industry. As a result, the need for increasing amounts of electrical power has become acute. Both government and private interests have been devoting considerable attention to this critical problem. Canadian firms might do well to consider opportunities opening up as a consequence of the rapidly developing hydroelectric program.

Electricity has great importance for the Philippines as a source of energy because the islands lack adequate coal and oil deposits. Cost of power generated by thermal units is high because fuel must be imported. Accordingly, increasing emphasis is being placed on developing hydroelectric resources.

The waterpower potential in the Philippines is estimated at 2.3 million kilowatts. The Government owns four major hydroelectric installations with an aggregate capacity of 261,000 kw., built at a cost of about U.S.$133 million. The five privately owned hydroelectric plants have a total generating capacity of about 15,000 kw. One large plant at Botocan, Laguna, accounts for approximately 93 per cent of private output.

The initial major postwar hydroelectric power project was the Maria Cristina Falls plant which harnessed the Agus River. The two-unit plant, located on the island of Mindanao, was completed in May 1953 and began operations in July. It has an installed capacity of 50,000 kw. and available energy of 420 million kwh. per year. It is the first of a projected series of plants along the Agus. When fully developed, they will together have a total maximum capacity of 750,000 kw. and 4.99 billion kwh. of available energy annually. Under the government-owned National Power Corporation's next ten-year power program for the Agus, two 50,000 kw. units will be constructed at the Maria Cristina plant and an additional 100,000 kw. unit is planned.

The second major postwar hydroelectric project to be completed was the Ambuklao plant, located on the Agno River in northern Luzon. It cost U.S.$66 million and has a capacity of 75,000 kw. (the river has a potential capacity of 420,000 kw.). Last year the Binga hydroelectric plant (Agno No. 2) was completed. The cost of building its four units, each with a capacity of 25,000 kw., was U.S.$52.5 million.

Plans call for the construction four additional hydroelectric pow plants along the Agno, with plann capacities ranging from 45,000 75,000 kw. The Ambuklao a Binga plants provide power f Manila, Baguio, the mines in M Province, and the provinces of Union, Pangasinan, Tarlac, Pa panga and Bataan.

Overcoming Future Shortages

The completion of the Bin plant did much to alleviate pow shortages experienced by industr in and around Manila during 195 However, power shortage is e pected in the greater Manila ar and the Maria Cristina Falls regi because of accelerated industrializ tion and increasing numbers domestic users. Consequently, thr major projects for immediate atte tion are the Angat River proje in Bulacan, Marikina River in Riz (both on Luzon), and the La Lanao-Agus River basin in Lan on Mindanao island.

Another major project in the te year program is the Agus River g in northern Mindanao, which w interconnect the Maria Cristi Falls in Lanao with the Agus River power system in Cagayan

POWER DEVELOPMENT SCHEMES*

	No. of Generating Units	Total Capacity (kw.)	Estimated cost U.S.$'000	Anticipate date of completio
Amlan River No. 1 (Negros Oriental)	2	400	718	March 1961
Angat Project (Bulacan)	4	136,000	64,500	December 19
Tabu (Mt. Province)	3	75,000	40,000	July 1968
Bao River (Leyte)	1	350	340	December 19
Mantayupan (Cebu)	1	500	360	December 19
Quinali (Albay)	1	1,500	1,350	December 19
Talomo No. 4 (Davao City)	1	1,200	800	December 19
Nalwalan River (Leyte)	1	500	425	December 19
Mablaran River (Romblon)	1	200	180	July 1966
Cagaycay River (Camarines Sur)	1	400	340	July 1968
Dumacaa No. 1 (Quezon)	1	600	500	July 1970
Maria Cristina Unit 3 (Lanao)	1	50,000	9,500	July 1964
Agus No. 2 (Lanao)	2	100,000	26,500	July 1964
Maria Cristina Unit 4 (Lanao)	1	50,000	7,100	July 1966

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*Source: National Power Corporation, Manila, Philippines.

o. This is in line with the indus-
l expansion planned for this area
h the establishment of the pro-
ed Iligan integrated steel mill,
rated by the National Steel and
pyards Corporation (a govern-
nt company) as the nucleus; the
rld Bank has just approved a
) million loan for this project.
present, the area also has fer-
zer, carbide and cement plants
ich take power from the Maria
stina Falls. A flour mill and an
minum plant are planned for the
ne site in the near future.

ancing Power Program

The cost of the Philippine power
gram is estimated at U.S.$314
lion. To raise this amount, the
tional Power Corporation will
y partly on its own earnings, and
increased capitalization, foreign
ns and local bond issues. In the
t, dollar loans have been ob-
ned from the U.S. Import-Export
nk and the World Bank. The
rld Bank is said to have ap-
oved the loans for the Angat
ver project but so far no formal
eement between the Philippine
vernment and the World Bank
been announced.

When dollar loans are obtained
m foreign banks to build hydro-
ctric plants, it is usually stipu-
ed that a foreign engineering con-
tant be employed. Generally, the
ding bodies maintain a list of
proved consultants from which
Philippines may choose. Cana-
n engineering consultants inter-
ed may wish to submit their
mes to the banks mentioned
ove for inclusion in their lists.

port from Many Sources

Tenders are let for machinery
d equipment and bids are ac-
pted from any country. The Am-
klao project used equipment,
chinery and materials from many
rces. French hydraulic turbines
coupled to American genera-
s; floodwaters are released by
rman-made spillway gates, and
ter for the turbines is controlled
Swiss valves. The powerhouse crane is Italian and the electric output is transmitted over Canadian aluminum cables suspended over U.S. insulators and steel transmission towers. At the receiving end sub-station, the transformers and switchgear are from the United States and synchronous condensers are French. A major portion of the cement used was from Taiwan and some reinforcing steel came from Japan.

Opportunities in Future

Opportunities for Canadian participation in the development of the Philippines' waterpower resources seem possible because nearly all machinery and equipment for hydroelectric plants is imported. Canadian exporters interested in supplying products in this field should contact the general manager of the National Power Corporation, Manila, providing full information on their line. They should also establish connections with firms in the Philippines in a position to know the market requirements. Inquiries may also be addressed to the Canadian Consulate General, P.O. Box 1825, Manila, Philippines. ●

India Expands Fertilizer Industry II

How can Canadians profit from India's plans to step up fertilizer production and imports sharply in the next few years? In the second part of his study (the first was published in our May 20 issue) the author answers this vital question.

J. R. MIDWINTER, *Commercial Secretary, New Delhi.*

EUROPEAN, United States and Japanese firms are demonstrating considerable interest in the market provided for equipment and engineering services by the expansion of the Indian fertilizer industry—an expansion, incidentally, that is certain to continue long after the close of the Third Five Year Plan. There are opportunities for Canadian equipment manufacturers and engineering firms, though the competition is severe and the controls resulting from India's foreign exchange shortage present difficult obstacles.

In the private sector, an Indian entrepreneur who wishes to set up a major factory or expand existing facilities substantially must first obtain an industrial licence from the Central Government. Where equipment and/or technical collaboration is required from abroad, as is currently the case with fertilizer plants, the applicant must set out all details and obtain permission for each transaction. Private imports into India may only take place against import licences.

Importing Capital Equipment

In view of the shortage of foreign exchange, the import control authorities have ruled that applications to import capital equipment will probably be rejected unless either:

- the importer can himself make satisfactory arrangements for raising external finance, or

- the import can be paid for under any loans, payment arrangements or foreign aid grants available to the Government (the U.S. Development Loan Fund, the rupee payment agreements in force between India and the Soviet Bloc, the Colombo Plan. etc.).

So far as the importer arranging his own finance is concerned, the import control authorities in most cases require that this be covered by:

1. Foreign capital investment and collaboration agreements sufficient to cover the cost of the plant, equipment and services required and not likely to be repatriated within ten years.

2. Long-term loans in foreign currency from bodies like the International Finance Corporation, the Commonwealth Development Finance Corporation and the Export-Import Bank.

3. The seller's willingness to accept non-convertible Indian rupees and/or some form of barter.

Of the above, the first alternative is the most popular and, indeed, the joint ventures resulting have become the typical entrepreneurial method in India today. The Indian partner puts up the rupee capital required while the foreign partner provides equipment, knowhow, patents, etc., in exchange for an equity share (almost always less than 50 per cent) in the venture. The foreign partner eventually receives payment in the form of dividends and/or repatriation of capital.

Medium-term credit or other deferred payment arrangements are only approved in exceptional cases, when the Government is satisfied that the savings in foreign exchange resulting from the operation of the capital goods being imported will more than suffice to offset their cost. Because of the priority attached to fertilizers, this criterion might well be applied to imports of equipment for their manufacture. But to qualify, Canadian equipment would have to be very competitively priced or its performance clearly superior.

Throughout, the Government's aim is to keep to a minimum the country's immediate foreign exchange obligations. It must be emphasized that finding foreign exchange financing is the most difficult problem facing Indian promoters of any new project. Whoever provides this financing controls the entire project. Many suppliers in Europe, the United States and Japan (not to mention the Soviet Bloc) seem prepared to accommodate India on this point. For Canadian suppliers, therefore, India must be considered most emphatically a buyer's market. It is to be hoped, however, that Canadian firms will be able to take advantage of the new Canadian export financing facilities to meet the credit competition from other suppliers.

Purchase of equipment and services for fertilizer plants in the public sector, to which the import and industrial licensing requirements do not apply, has generally been on the basis of global tender. However, the objective of minimizing immediate obligations exists as in the private sector and the same principles apply.

Sulphur Imports Needed

Of the two principal raw materials—phosphate rock and sulphur—which India must import to feed its growing fertilizer industry, the latter is of direct interest to Canada.

India currently imports about 140,000 long tons a year of sulphur, almost all from the United States. The sulphuric acid industry, which now operates almost wholly on imported sulphur, consumes approximately three-quarters of this tonnage. In turn, fertilizer manufacture takes two-thirds of the sulphuric acid produced. Indeed, most Indian acid capacity is found in association with fertilizer fa tories. Production figures for su phuric acid therefore provide good guide to requirements sulphur on the one hand and application to the fertilizer indust on the other. These are set out the accompanying table.

Production of Sulphuric Acid

(in long tons)

1948	80,004
1951	106,932
1954	150,876
1957	196,068
1958	226,584
1959	275,124
1960	360,000‡
1960-61	400,000*
1965-66	1,250,000†

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*Fiscal year—planned output.

†This figure represents planned production.

‡Preliminary estimate.

Provided fertilizer and hence su phuric acid production expand planned, India's requirements sulphur may be expected to clim to between 400 and 500,000 lor tons by 1965-66.

The Government is endeavourir to meet some of the growing d mand from domestic sources b geologists have not so far uncovere commercial deposits of element sulphur. Resources of sulphide or and sulphur-bearing natural gas a also meagre. The Governme therefore bases its main hopes o gypsum and pyrites, especially th latter. At Amjor in Bihar State fairly extensive pyrites ore body ha been proven up. The Governme has announced that it will develo this ore body as a Third Five Yea Plan project. Plans call for extrac tion of sulphur at the rate initiall of 200-300 long tons a day. Th Fertilizer Corporation of Indi Ltd.'s Sindri plant uses gypsu directly instead of sulphuric aci in its production of ammoniu sulphate and this gypsum proce is planned for one or two othe proposed plants. India's gypsu resources, however, are by n means unlimited.

It is doubtful whether exploita- n of the Amjor deposits, even pplemented by more intensive use gypsum, sulphide ores, coke- en gas, etc., could produce as ch as 200,000 long tons a year sulphur in elemental or contained ms. Adoption of fertilizers that not require sulphur is possible y to a limited extent. Imports refore will have to double or le during the Third Five Year n if fertilizer production is to ain the targets set for it.

Indian consumers have been nonstrating considerable interest the possibility of sulphur becom- available from Canada. They ear anxious to find alternative pliers to the sulphur export syn- ate of the Gulf States in the S., although sulphur from that rce is currently being landed in lian ports for as little as U.S. 9-30 c.i.f. per long ton. Canadian ducers, if they are able to settle nsportation problems and are pared to meet stiff competition m existing U.S. suppliers (prob- y from France as well), could d India a potentially significant tlet for many years to come.

Quotations should be for bulk phur f.o.b. Vancouver or c.i.f. lian port; where necessary, bag- g of sulphur can be carried out arrival in India. Import licences issued mostly to actual users of phur; however, appointment of agent to solicit orders and to ervise unloading and bagging is sirable.

port of Fertilizers

The Indian Government domi- tes import trading in fertilizers ough direct purchases, through activities of the government- ned State Trading Corporation, d through distribution of fer- izers provided under Canadian d United States aid programs.

All indigeneously-produced and ported nitrogenous fertilizers are tributed from a Central Fertilizer ol operated by the Central Gov- nment's Ministry of Food and riculture. Once or more each year, after taking into account the availability of foreign exchange, the Government's procurement agency in the Ministry of Works, Housing and Supply issues global tenders for nitrogenous fertilizers to make up the difference between demand and supply. Purchases under these tenders over the past several years are shown in the accompanying table. Principal suppliers have been Japan and West Germany.

INDIA'S PURCHASES BY TENDER OF NITROGENOUS FERTILIZERS

1956-57 to 1960-61

Year of tender	Ammonium sulphate	Ammonium sulphate nitrate	Urea	Calcium ammonium nitrate
		(in long tons)		
1956-57	330,000	25,000	45,000	10,000
1957-58	50,000	65,000	60,000	30,000
1958-59	160,000	32,000	57,000	40,000
1959-60	110,000	40,000	60,000	41,000
1960-61	185,000	50,000	114,000	43,000

The Office of the Commercial Counsellor, New Delhi, receives all tender notices and is able to give full details to interested Canadians.

The State Trading Corporation was originally organized to carry out transactions between India and the Soviet Bloc. Its operations, however, have steadily expanded into other fields as well. For fertilizers, the Government has named the Corporation the only importer of sodium nitrate, muriate of potash, ammonium sulphate and ammonium nitrate, except for its own purchases by tender. The Corporation's purchases of fertilizers in fiscal year 1958-59 totalled 77,000 long tons, mostly muriate of potash from East Germany.

The only imports allowed through private channels are triple superphosphate (by sugar mills) and sulphate of potash. These currently amount annually to about 5,000 and 10,000 long tons respectively.

Both the United States and Canada have financed a considerable volume of imports through their aid programs. Since 1951 the United States has supplied approximately 500,000 tons of nitrogenous fertilizers, plus, in 1958, 13,000 tons of triple superphosphate and other higher phosphates to introduce these fertilizers on an extensive scale. A considerable proportion of this material has been purchased in Italy, France and Japan with local currencies generated by the sale to them of U.S. agricultural surpluses.

As part of its 1958-59 and 1959-60 Colombo Plan programs, Canada made available to India about 100,000 long tons of ammonium sulphate and 10,000 of ammonium phosphate.

Prospects for Canadians

Continued imports of nitrogenous fertilizers will probably be necessary for several years. In the long run, however, the Government clearly intends that India's requirements be met entirely from domestic production. This limitation applies also to phosphate fertilizers.

The best long-term prospect for Canadian firms therefore lies in potash fertilizers. Only about 1,500 tons a year of low-grade potash is produced from Indian salt bitterns and little expansion seems possible. In its Third Five Year Plan, the Government bases its potash consumption intentions (200,000 long tons a year in terms of K_2O by 1961-66) on imported potash.

Indian imports, until now very small, have been obtained during recent years mostly from France and West Germany. In 1959, however, East Germany became the chief supplier; purchases were made under a rupee payment arrangement. This makes for stiff competition but nevertheless, India does present a potentially important outlet for Canadian potash. ●

BUSINESSMAN'S BOOKSHEL

Guide to Legislation on Restrictive Business Practices, Europe and North America, Volumes I, II and III

*European Productivity Agency for the OEEC. $6.00 per volume.**

IN February 1960, the first two volumes in a series designed to bring together information on legislation covering restrictive business practices in member countries of the OEEC, and the economic implications of its application, made their appearance. Volume one covered Germany, Denmark, Ireland, France and Italy, and Volume II the Netherlands, Norway, Sweden, the United Kingdom, and the United States. Volume III has now been published; it deals with legislation in Austria, Portugal and Canada and gives information on the regulations drawn up by the European Coal and Steel Community and the European Economic Community. It also includes a useful selected international bibliography on restrictive business practices.

Like its predecessors, the new volume has a chapter for each country, giving the text of current legislation, plus explanatory notes, a digest of administrative and court decisions, and a bibliography.

The creation of wider markets gives special importance to the question of restrictive business practices, including cartels, combines, monopolies, resale price maintenance and other matters coming within this general field. This guide (which will be brought up to date from time to time) is therefore expected to prove valuable not only to government experts responsible for policy in this field, but also to industrialists and to many companies interested in economic developments in and in trade with the countries covered. A fourth volume, scheduled to come from the press this year, will deal with Belgium, Luxembourg and Switzerland.

Order from: European Productivity Agency, OEEC, 2 rue André-Pascal, Paris 16ᵉ, France.

Africa in Perspective

By H. Wynn Jones. 220 pages. $5.75.

MR. JONES attempts an ambitious undertaking in tracing the development of the entire African continent from the days of the ancient Pharoahs to the modern independence movements. Tracing the racial, economic and political development of the continent, he presents a readable account of Africa's explorers, its pioneers and even its slave traders. For anyone who is interested in a general account of Africa's progress, the book is an excellent one.

Writing chronologically, Mr. Jones is able to fill in many of the pieces which make up the African puzzle and thus help the everyday reader to understand t forces currently at work in the continent. Perplexed we are with the numerous emerging states and the co tinued racial and political strife, he helps to make cle the continent's present status.

Of particular concern to the businessman are cha ters 10 and 11, which give a concise summary Africa's changing and developing economy and ventu into the realm of prediction. With a land area thr times that of Europe and a population greater th the U.S.S.R., the continent presents a challenge f the rest of the world. Mr. Jones's book can help Can dians to better understand, and possibly deal with, th challenge.

Order from: Smithers & Bonelli, 266 King Street We Toronto "B", Ontario.

Canadian Economic Policy

By T. N. Brewis, H. E. English, Anthony Scott, Pauli Jewett, and J. E. Gander. 365 pages. $5.50.

WHAT is the Canadian economic policy? Very fe Canadian businessmen could answer that question ad quately, and yet it is vital that we know and understar it. For this reason, *Canadian Economic Policy* is a we come contribution in this field.

Each of the four sections explores a significant are Part I takes a look at how government in Canac affects the way in which human and material resourc are allocated among various alternative uses. To wh extent, and in what way, does government interventic modify consumer sovereignty?

The influence of government policy on econom stability is the subject of Part II. In the quarter centu since Keynes's *General Theory*, fluctuations in the lev of national economic activity have been political unacceptable. Consequently, the role of governme has been correspondingly expanded. Does governme perform this task adequately?

Part III, entitled "Economic Welfare and Inte national Aspects of Policy", is a comprehensive view two diverse topics. Professors English and Brew examine the problems of equitable income distributio Then Professor Brewis takes a quick look at ou international economic relations.

In Part IV, the nature of policy determination scrutinized. How does government form econom policy?

A useful appendix by J. E. Gander of the Dominic Bureau of Statistics discusses the problems involve in the measurement of employment and income.

This is a book written by university professors f university students. A businessman a bit rusty i economic theory would likely find it difficult readin he persists, however, he will benefit from a com- ehensive discussion of many vital aspects of the nadian economic scene.

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*Volumes I and II must be purchased together.

blished by: Macmillan Co. of Canada, 70 Bond eet, Toronto 2, Ontario.

geria—An Industrial Reconnaissance

deration of British Industries. 54 pages. 0/7/6.

PON Nigeria's emergence as a sovereign nation, a oup of British industrialists was invited to study its onomy and recommend steps to be taken to ensure derly, self-sustaining growth. The subsequent report the Federation of British Industries provides an cellent insight into the industrialization problems fac- g an underdeveloped country.

Primarily an agricultural economy, this nation of million is at the stage where it could support paper d board, rubber, and iron and steel industries to mplement its existing paper conversion, commercial hicle, and construction industries. All of these are died in some detail from the investor's and veloper's viewpoint. Information given on trade, in- strial development, investment incentives and local vernment policies indicates a stable, free-enterprise iented development.

This booklet would prove a useful guide to any nadian manufacturer or investor interested in this rican country and particularly to those who intend participate in the Canadian Trade Fair in Nigeria rly next year.

Order from: Federation of British Industries, 21 thill Street, London S.W. 1, England.

erseas Newspapers and Periodicals

blishing & Distributing Co. Ltd. 464 pages. 30/-

HE exporter who is thinking about advertising his oduct in foreign countries might find this directory useful addition to his business library. Beginning with rica and the Middle East, it lists newspapers and riodicals in the various countries in each geographic ea. Each listing gives the name of the publication, assification if it is a periodical, language, frequency issue, circulation, and advertising rates (subject to ange). The 69 classifications begin with "advertis- g" and end with "wood and woodwork".

The publisher points out that certain countries have many newspapers and magazines that they require dividual directories; this accounts for the mere ten riodicals in the "Canada" section—a rather odd sortment. Some of the countries, it seems to this viewer, are more adequately covered than others; r example, there are no newspapers listed for Ghana d only two for Nigeria. The introduction points out at all the publications included "accept business from ur company on behalf of our clients". The directory concludes with a country index of annuals, directories, who's who, and press guides.

Order from: Publishing & Distributing Co. Ltd., Mitre House, 177 Regent Street, London, W.1, England.

Vegetable Oils and Oilseeds, Industrial Fibres

Intelligence Branch of the Commonwealth Economic Committee. 206 pages and 236 pages respectively. $1.88 each.

ARE you interested in the production and consumption of and the trade in wool, cotton, coir, kapok, or rapeseed, soya beans, pulghere and babassu? If you are, then *Industrial Fibres* and *Vegetable Oils and Oilseeds* are for you. These two soft-cover volumes present material in specialized fields, according to their prefaces, " in convenient form (with) up-to-date summaries of production, international trade and consumption for a group of allied commodities, with special reference to the part played by the countries of the Commonwealth."

In a clear, concise manner *Vegetable Oils and Oilseeds* deals with groundnuts, cottonseed, soya beans, rapeseed, sunflower seed, sesame seed, olive oil, coconut palm products, oil palm products, linseed, castor seed, tung oil, and more than twenty miscellaneous oilseeds and vegetable oils.

Industrial Fibres considers wool, cotton, rayon and acetate, non-cellulosic man-made fibres, silk, mohair and other fine hair, flax, hemp (including sisal), jute (including allied fibres), coir and kapok.

In appendices, the finishing touches are provided. In *Vegetable Oils and Oilseeds* there is a treatment of the harvest calendar for the various vegetable oils and oilseeds; estimated supply and disposal of vegetable oils in principal countries; soap, margarine and compound cooking fat; whale oil, and import duties imposed on vegetable oils and oilseeds by principal countries. In *Industrial Fibres* there is information on government measures affecting industrial fibres (such as cotton, wool and silk) in certain countries; cotton planting and picking dates; fibre lengths and varieties in producing countries; world trade in rayon and acetate yarn broken down into filament and spun yarn; import duties in principal countries; export duties and bonuses in India and Pakistan; prices of fibres in the United Kingdom; and fibre consumption in the United States.

Companies producing or exporting any of the commodities which fall within the subject matter of the two volumes might be interested in obtaining these publications. Both of them are based on material obtainable as of March 1960 and each provides a well-documented review of commodity conditions in its field.

Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ont.

Latin America's Free Trade Area

Membership - Objectives - Organization

L. H. BROWN, *Latin American Division.*

ON May 2 the new Latin American Free Trade Area was formally inaugurated. On this date Argentina, Brazil, Chile, Peru, Uruguay and Mexico simultaneously deposited their instruments of ratification of the Montevideo Treaty at the headquarters of the free trade association in Montevideo. By the terms of the treaty, the free trade agreement will formally come into force for these countries thirty days after this event.

The Montevideo Treaty

The Latin American Free Trade Association (LAFTA) was created by the Montevideo Treaty which was signed in February 1960 by the Foreign Ministers of Argentina, Brazil, Chile, Peru, Uruguay, Mexico, and Paraguay. It was subsequently ratified by the legislatures of all seven. Paraguay, however, has not yet deposited its instruments of ratification.

The Montevideo Treaty grew out of studies that the United Nations' Economic Commission for Latin America initiated in 1956 with a view to the establishment of a common market covering all of Latin America. In keeping with this concept, the Montevideo Treaty provides that membership in the Latin American Free Trade Association is open to all Latin American countries. Bolivia participated in the preliminary conferences but did not sign the Treaty and has recently announced that she will not joint the LAFTA. However, Colombia and Ecuador have now indicated an interest in participating. (The Central American Republics are moving forward with their own regional integration in the form of a Central American Common Market.)

The Montevideo Treaty provides for the gradual elimination, over a twelve-year period, of all tariff duties, import charges and other restrictions (except consular fees and other charges for services rendered) between the member nations on "the bulk of their reciprocal trade". The freeing of trade is to be accomplished through progressive negotiated reductions of tariffs and other barriers over the transition period.

In addition to annual national lists of restrictions, every three years all the members will agree upon a common or Basic List of irrevocable concessions. At the end of three years this Basic List is to include products covering at least 25 per cent of the intra-regional trade. At the end of six years, this is to increase to 50 per cent and at the end of nine years to cover 75 per cent. At the conclusion of the fourth three-year period it is to cover "the bulk of the value of trade" between the Contracting Parties. In the process, each member will retain its own individual tariff on imports from outside countries.

As the first step in tariff negotiation, each member is drawing up a list of its own products on which it would like the other members to grant duty reductions. These lists are being prepared for a formal exchange of national request lists which is expected to take place shortly for the first negotiation of duty reductions.

Governing Bodies

The Treaty also provides that the governing bodies of the Free Trade Association shall be a Co ference of the High Contracti Parties and a Permanent Comm tee. The Conference of the Hi Contracting Parties is the supren authority of the Association and empowered to supervise the in plementation of the Treaty, to tal all decisions that require combine action by the Contracting Partie and to settle matters of commc interest. It will be composed delegations from the member cou tries and will meet once a year– or more frequently if the Permaner Committee or one or more of th member states desire a special se sion. The Permanent Committee the executive body and will b charged with the administration the Treaty and the implementatio of the decisions taken by the Cor ference of the High Contractin Parties. In addition it will represer the LAFTA countries in dealing with third countries or internationa organizations when matters of common interest under the Treaty ar involved. Its headquarters will be i Montevideo and it will be compose of a permanent representative o each member country, an executiv secretary nominated by the Conference, and a permanent secretariat The executive secretary will b director of the secretariat, a non voting member of the plenary committee, and secretary general of th Conference of the High Contractin Parties.

Future Prospects

The Montevideo Treaty look towards economic integration an could lead to an eventual commo market among its members. Th LAFTA countries are planning t opt a common customs termi- ogy in the form of the Brussels stoms Tariff Nomenclature. At sent only Brazil uses the Brus- s Nomenclature, but Argentina, ile, Peru and Uruguay are re- rtedly rewriting their tariffs.

The existing trade between the LAFTA countries is composed ost entirely of primary com- dities and accounts for only 10 12 per cent of their total export de. Although there has been con- erable industrialization since the r, much of it has been established hind high tariff walls. This pro- tionism, coupled with inadequate intra-regional transport facilities, has been a serious barrier to area trade in industrial products. Now the LAFTA agreement provides a free trade region possessing rich natural resources and a population of about 140 million as a base for future regional development.

The formation of the LAFTA follows the setting up of the two trading blocs in Europe. But under the conditions applying in Latin America, more emphasis is placed on integration as a means of stimulating future economic development and trade.

The Latin American region is an increasingly important export market for Canada. In 1960 our exports to the twenty Latin American republics totalled $185 million, or a little over 3 per cent of our total export trade. Of this, $95 million, or slightly more than one half, was carried on with Argentina, Brazil, Chile, Peru, Uruguay and Mexico. To the extent that economic growth is stimulated in the free trade area, there will be scope for increased and mutually advantageous trade between Canada and the LAFTA countries. ●

COMMODITY NOTES

nned Meat

EPUBLIC OF IRELAND—A joint effort by four at-canning firms in the Republic has resulted in a ntract for the supply of canned steak to the British ned services. The estimated value of this contract around £1 million—Dublin.

mparator

VITZERLAND—It has recently been announced ht a Swiss firm has built and sold an interferential oto-electric comparator which is accurate to a few llionths of a millimeter. The machine will be used compare the old international meter standard with new definition of the meter recently adopted by eleventh General Conference on Weights and easures—Berne.

rtilizer

CUADOR—Plans for the construction of a fertilizer ant in Guayaquil using sewage waste are being con- lered by a group of investors. If built the factory may luce imports of fertilizer which, according to the est statistics, amounted to $1.4 million, including 64,000 from the United States, $540,000 from West rmany, and $267,000 from the Netherlands— gota.

eezers

EST GERMANY—Some 60,000 West German ocers will install deep freezers in the next two years, edicts the German Deep Freezing Institute. Less than e quarter of the country's 170,000 retail food stores now have freezing equipment, but this is eight times as many as in 1956. The number is expected to rise to 100,000 by 1963 to meet the fast-rising demand for frozen foods. Germans bought $64 million worth weighing 52,000 tons last year, 13 times as much as in 1955. There is no end in sight to this trend—Bonn.

Motor Vehicles

AUSTRALIA—The Australian Holden car (made by a wholly owned subsidiary of General Motors, Detroit) had 33.9 per cent of the Australian car market last year, compared with 38.5 per cent the previous year, according to figures released by the Commonwealth Statistician. Holdens held 71.4 per cent of the market for station wagons during the year (86.9 per cent in 1959) and 36 per cent of the commercial vehicles market (34.8 per cent in 1959). Although the percentage was down, sales were up. In 1960, 66,799 new Holdens were registered (62,785 in 1959)—34,128 station wagons (29,381) and 23,505 commercial vehicles (a drop from 24,722 in 1959). Following Holdens in the market was Ford, with 15.8 per cent (14.4 in 1959), and Volkswagen, 12.4 per cent (10.9)—Melbourne.

FIJI—Nearly 8,000 vehicles were licensed in Fiji at the end of December, about half of them in Suva. Statistics prepared by the headquarters licensing officer list 3,240 private cars, 593 taxis, 358 buses, 2,412 trucks, vans, etc., 833 tractors, 32 mobile cranes and 256 motorcycles. A total of 920 new vehicles were registered during the year, including 397 cars and 170 taxis.

Holdens topped the list of new vehicles registered—86 private cars and 108 taxis. Morris was next with 72 private cars and 21 taxis, then Ford with 56 private cars and 24 taxis—Wellington.

Nitrogen

DENMARK—A 25 million Swiss franc (about 40 million kroner) loan, to apply for a period of 14 years, has been floated in Switzerland. It is being raised by the Danish sulphuric acid and superphosphate factory and is to be used for the nitrogen factory at Grenaa established by Danish Sulphuric, the Danish Co-Operative Fertilizer Company, and Norsk Hydro (Norwegian).

This is the first time since the war that a private firm has had permission from the National Bank to raise a loan abroad for investment in Denmark. The reason is that the factory will produce a commodity now imported by Danish farmers, thus saving foreign exchange—Copenhagen.

Oil

NIGERIA—The Federal Nigerian Government and the Eastern Region Government have agreed to the building by British Petroleum Company and Shell Oil of Nigeria's first oil refinery. An ultimate capacity of 20,000 barrels a day is planned, consuming one million tons of Nigerian crude a year. It will be built at Port Harcourt, the country's second ocean port, at a cost of about $33.5 million.

Nigeria's crude-oil production is increasing steadily and now totals almost a million tons a year, all of which is exported. It is estimated that crude production by 1965 will reach 100,000 barrels a day, or about five times the present flow—Lagos.

Shipbuilding

SPAIN—Spanish shipbuilding is increasing in importance and several orders for modern merchant ships have been received from a number of countries, including Brazil, Argentina, Mexico, Chile, the United Kingdom and Norway. The latter has just placed an order for 16 merchant ships—nine of 1,900 tons, five of 4,000, and two of 5,000. Spanish ships have become an important export and a new source of hard-currency earnings—Madrid.

Steel Tube

SWEDEN—The Grängesberg Company, the large Swedish mining, steelmaking and ore-shipping concern, has contracted with the Soviet Foreign Trade Ministry to supply 135,000 tons of welded steel tubes. The tubes will have a diameter of about one meter and will be used for oil and gas pipelines; their aggregate length is reported to be about 300 miles. Deliver are to be made during 1962-64 at the rate of abc 45,000 tons a year; a small consignment will shipped in December. Value of the order is report to total approximately Kr.125 million ($25 millior

The tubes will be manufactured at a plant bei erected at Jordbro outside Stockholm by AB Bröder Hedlund. In conjunction with this deal, Grängesbe has acquired all the shares in Bröderna Hedlund. T plate used will be manufactured at the Grängesbe Company's new steelworks at Oxelösund on the Bal Coast south of Stockholm. When it comes into f operation, the steelworks will have an output 300,000 tons of plate a year. The latter compar whose manufacturing program includes structural ste for industrial plants and buildings, power dam gate oil cisterns and heavy welded tubes, will continue activities under its present management and with largely unchanged line of production—Stockholm.

Television Equipment

PHILIPPINES—Plans for construction of a televisic station on the outskirts of Manila have been announc by the subsidiary of a local radio broadcasting cor pany. The station will be the fourth to be erected the Philippines and it is expected to be in operatic by the end of this year. A contract has been signed wi a Japanese company for the television equipmer delivery will be made to the Philippines within thr or four months—Manila.

Thermo-Electric Installations

COLOMBIA—The Ministry of Finance for the Depar ment of Cundinamarca has announced that a study the coal resources in the northern part of the territo will be made by several European firms with a vie to establishing thermo-electric plants in this area. The plants will supply power mainly to the rural areas ar towns outside of Bogotá—Bogotá.

Tinplate

PHILIPPINES—One of the largest industrial concer in the Philippines is planning to construct a mult million-peso tinning plant and cold rolling mill suburban Manila. The tinning plant, which will constructed first, will have a floor area of 45,00 square meters and will cost 17.6 million pesos. Initi fabrication of the tin plates (hot dip) is expected start the latter part of this year and electrolytic proce equipment will go into operation in the middle 1962. Investors believe that production will supp the entire tinplate requirements of local industry at saving of $9 million in foreign exchange.

Once the tinning plant begins operating, constructio of the cold rolling mill will be started, at a total inves ment of 6 million pesos. Production of 72,000 to a year is planned of which 30,000 tons will be sol

local manufacturers of galvanized sheets, domestic
pliances, etc., 30,000 tons will be used to make
ctrolytic tinplate and 12,000 tons to make hot dipped
plate—Manila.

es

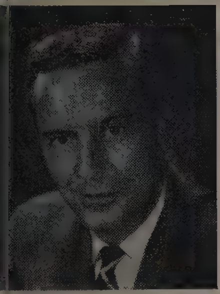
UADOR—A plant of the Ecuadorian Rubber Com-
ny, financed by United States and Ecuadorian capi-
, is to be established during the next 18 months near
city of Cuenca. The initial investment will amount
$1.3 million and the plant is expected to produce
,000 tires and tubes annually, rising eventually to
0,000 units. Imports of these products in 1959 amounted to $2.8 million, of which the United States supplied $1.9 million, the United Kingdom $273,000 and Canada $68,000—Bogota.

Transistor Radios

INDIA—Production of transistor radios began on March 21 at Ulhasnagar near Bombay. The factory, established with technical collaboration from Sanyo Electric Corporation, Osaka, Japan, will produce table model domestic radios and combinations, as well as portable transistor sets. It is reportedly the intention of the company to manufacture TV receivers and other electronic equipment in the near future—Bombay.

TRADE COMMISSIONERS ON TOUR

Canada



F. B. Clark

M. R. M. Dale

J. G. Ireland

B. CLARK, Commercial Secretary in Mexico City:

milton—June 5
Catharines, Welland—
June 6
ndon—June 7
indsor—June 8
innipeg—June 13-14

Regina—June 16
Saskatoon—June 19
Edmonton—June 22
Calgary—June 26
Vancouver—July 3-7

. R. M. DALE, Trade Commissioner in Cape Town, South
rica:

ronto—June 5-16
terborough—July 3

Ottawa—July 4-14
Montreal—July 17-28

J. G. IRELAND, Assistant Commercial Secretary in Rome, Italy:

Winnipeg—June 5-6

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

R. M. DAWSON, Vice Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Tapei, Republic of China (Taiwan), from June 13-23.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Durban from July 10-14, Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, June 19-23.

R. F. RENWICK, Commercial Secretary in Port-of-Spain, Trinidad, will visit Antigua from June 12-14.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown, British Guiana, from July 14-17.

E. J. WARD, Assistant Trade Commissioner (Timber) in Glasgow, Scotland, will visit Northern Ireland from June 5-9.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Dawson at Manila, Mr. Gallow at Johannesburg, Mr. McLane and Mr. Ward at Glasgow, and Mr. Renwick and Mr. Richardson at Port-of-Spain.

TRANSPORTATION NOTES

Canada

TRUCKING SERVICE—The Florida Frozen Foods Express Limited, a Toronto trucking firm, has recently acquired an extension of its licence to permit the carriage in bond of general commodities between points in Ontario and Florida and Gulf ports for export and import traffic.

Florida Frozen Foods Express Limited can now offer truckload (30,000 pounds) and less-than-truckload service to Jacksonville, Miami and Tampa, and in-volume movements to Gulf ports such as New Orleans and Mobile. Trucks leave Toronto every day and arrive in Florida on the fourth morning. Heated or refrigerated service is available.

The trucks provide a connecting service with air and water carriers at Florida and Gulf ports for further carriage to destinations in the West Indies, Central America and northern South America. The airlines operating out of Miami have established specific commodity rates covering many products as well as "all articles" rates to selected destinations. These include Kingston, Jamaica, at eight cents a pound with a minimum weight of 100 pounds, and Havana at four cents a pound with a minimum weight of 3,300 pounds.

Examples of goods currently being moved by air carriers include foodstuffs, furniture, leather, tobacco, hardware, electrical appliances, machinery, automobile parts and accessories, office equipment, drugs and toilet preparations, printed matter, tires and rubber goods, radios and parts, knocked down cartons and containers.

Florida Frozen Foods Express Limited will undertake analyses of transportation costs for exports on request.

SERVICE TO GUATEMALA—A new shipping service from Eastern Canadian ports to Puerto Barrios, Guatemala, has been established by the Canada-Jamaican Line. The line will continue to operate fortnightly to Kingston, Jamaica, but will schedule alternate sailings to call at Puerto Barrios, thus providing a monthly service to that port. Ships will also call at Belize, British Honduras, if there is sufficient cargo inducement.

Kerr Steamships Limited, Montreal, are agents for the Canada-Jamaica Line.

Ceylon

PORT IMPROVEMENT—The Ceylon Government is to request a team of consultants to make recommendations for improving the ports of Galle and Trincomalee so that they can handle a larger volume of cargo. The Government has formulated a scheme for modernizing these ports at a cost of about $50 million and a World Bank team has reported on this schem
The greater portion of Ceylon's tea exports alrea
leave from Trincomalee and it is felt that developm
of Galle and Trincomalee together would furth
reduce the heavy pressure on Colombo—Colombo.

Greenland

AIR SERVICES—It is reported that the Royal Gree
land Department of Trade advocates the developm
of air services within Greenland, using amphibious a
craft. Headquarters would be at Godthaab. The inte
tion is to form the Greenland Air Corporation L
(Grønlands Fly A/S) to take over these intern
flights, though negotiations are not yet far enou
advanced to divulge details. During the next th
financial years, about 4.7 million kroner are intend
for investment in fairly extensive works connect
with air services in Greenland. Passengers carried
coastal flights numbered about 1,300 in 1959 a
about 6,000 in 1960—Copenhagen.

(The Greenland Flying Company Ltd. was form
last November by Scandinavian Air Services
Kryolitselskabet Øresund A/S, to operate flights
Greenland. The company had concluded agreeme
with American Federal Electric Corporation to supp
services to warning stations in Greenland. See Forei
Trade, *March 11, 1961, page 26.)*

Mexico

TANKER FLEET REPLACEMENT—Pemex h
announced plans to retire all its oil tanker units a
to replace them with modern ships. The oil indust
management has told the Oil Workers' Union, Se
man's Division, that arrangements to purchase fo
tankers from a foreign government have been ma
and that the oldest of these vessels is only five yea
old—Mexico City.

Netherlands Antilles

BUNKERING TERMINAL—The Lago Oil a
Transport Co. Ltd. opened a new bunkering termin
at Oranjestad Harbour, Aruba, last December. T
terminal is flanked by three storage tanks with
total capacity of 50,000 barrels of fuel oil. Thr
grades of bunker fuel will be made available to shi
calling at Oranjestad Harbour—Caracas.

Nigeria

AIRWAYS NATIONALIZED—Nigerian Airways h
since July 1958 been operated by West Africa Airwa
Corporation (Nigeria) Ltd., a company owned

pr cent by the Federal Government of Nigeria and 4 per cent by Elder Dempster Lines Limited and OAC. Following discussions held in London, Elder mpster Lines Limited and BOAC offered to sell their shares to the Government of Nigeria and last arch Nigerian Airways became a nationally owned ompany. Besides having a monopoly on internal igerian routes, the airline at present maintains ser-ices to Ghana and London via Barcelona or Rome —Lagos.

rtugal

IQUID FUELS WHARF—A wharf has been com-eted in the port of Lisbon for loading and unloading uid fuels, enabling four vessels to be accommodated at the same time. A 40,000-ton tanker using the new installations can unload its cargo in 17 hours. Constructed by Soponata-Sociedade Portuguesa de Navios Tanques at a cost of Can.$3.4 million, the wharf can handle four million tons of liquid fuel a year—Lisbon.

West Germany

INLAND SHIPPING—The Federal Republic's inland navigation facilities handled a total of 171.3 million tons in 1960. This exceeded the previous year's total by 29.2 million tons or 20.5 per cent, and for the best postwar year, 1957, by 29 million tons or 20.3 per cent. In 1938, the best prewar year, only 119.1 million tons of goods were carried on the waterways of the present Federal Republic—Hamburg.

FOREIGN TARIFFS AND TRADE REGULATIONS

dia

PORT DUTY ON NEWSPRINT—The Indian nance Minister has announced certain concessions in port duties and excise taxes during the current dget debate. Of interest to Canada is the decision raise the duty on unglazed or machine-finished wsprint imported in reels from Rs.3.10 to Rs.5 per intal, rather than Rs.7.50 per quintal as originally nounced. For other newsprint imported in reels, the ty is being raised from Rs.3.60 to Rs.5.50 per intal, rather than Rs.9 per quintal. For newsprint ported as sheets, the duty increase from Rs.4.10 to s.10.30 per quintal has been withdrawn—New Delhi.

an

PORT QUOTAS FOR IRANIAN YEAR 1340—n March 26, 1961, the Ministry of Commerce of an announced the import quota regulations for the anian year 1340 (March 21, 1961, to March 20, 62), effective from the date of announcement. The w regulations were designed to maintain equilibrium the balance of payments and to adjust the volume imports. They are also intended to effect an expan-on in export trade and at the same time to protect me industries.

Under the new regulations, the import of all goods permissible, except for those on a list of non-thorized goods. The scheduled banks are authorized sell 30 billion rials in foreign currencies as a maxi-um for the import of non-restricted goods through e opening of credits or the settlement of promissory notes. Should the foreign exchange prove insufficient for the import of all authorized goods, the Ministry of Commerce will prepare a list of the essential goods and priority will be given, as far as the sale of foreign exchange is concerned, to essential goods. Customs officials in the capital and provinces will issue, on behalf of the Ministry of Commerce, import permits for authorized goods.

Goods made in countries which have barter agreements with Iran may be freely imported under the terms of the relevant barter agreement, except commodities which are included in the schedule of prohibited goods.

The exchange proceeds from exports to countries whose currencies are not accepted for the settlement of foreign exchange payments may be used for the import of authorized goods from any country. Persons who earn money abroad through any source other than exports may spend their earnings on the import of authorized goods.

Imported goods generally must be new and unused. Authorized goods imported as gifts or souvenirs without any foreign exchange transfer may be released from Customs without permits, provided the value of such goods per person per year does not exceed 10,000 rials.

Imports allowed under the regulations applicable to the previous licensing period but prohibited under the current regulations may be imported provided credit has been opened with an authorized bank or the goods, shipped before the announcement of the new regulations, are landed or delivered to Customs not later than two months from March 26, 1961.

Appended to the regulations are three schedules of commodities. The first schedule includes those commodities subject to export regulations, prohibited exports, goods subject to licence from a statutory monopoly, and goods subject to licence.

The second schedule contains some 233 items the import of which is prohibited. The schedule includes: fats, other food products, specified vegetables and fruits, cereal flours, oil tars and other tars, laundry soap, dressed lumber, wood manufactures, certain silk products, woollen blankets, and specified cotton manufactures.

The third schedule contains some 303 commodities which on import are subject to a Commercial Profits Tax or Excise Tax, in addition to the regular Customs duty. The Commercial Profits Tax has the effect of increasing the cost of these articles and thereby restricts their import.

The complete schedules of imports affected by these regulations may be obtained from the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Japan

IMPORTS UNDER AUTOMATIC FOREIGN EXCHANGE ALLOCATION SYSTEM—In a notice dated May 1, 1961, the Japanese Ministry of International Trade and Industry listed the goods (except machinery) which may be imported under the Automatic Foreign Exchange Allocation System. Under this system of import procedure, imports of specified commodities are permitted without restriction, unless such imports would produce undersirable effects on Japan's balance of payments or seriously hurt related domestic industries. There is no quota limitation and importers may apply directly to the Ministry of International Trade and Industry for an allocation of foreign exchange which will be granted automatically.

According to the notice, there are some 1,570 statistical numbers covering some 543 separate commodities. Among the goods permitted entry, the following are of interest to Canada: sporting goods, stoves and furnaces, drugs and chemicals, certain synthetic resins, asbestos manufactures, semi-fabricated iron and steel.

Business firms interested in exporting to Japan may obtain the status of any particular commodity under the Japanese import trade procedures by writing to the Asia and Middle East Division, International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

FURTHER LIBERALIZATION OF IMPORTS—In Import Notice No. 4, dated April 7, 1961, the Japanese Ministry of International Trade and Industry issued a further schedule of commodities to be imported under the Automatic Approval System of import procedu
Some 609 statistical item numbers covering some 5
additional separate commodities have been added
the schedule of imports under the A.A. system.

Under this import procedure there is no individu
quota for each separate article, but an over-all quo
limit for all commodities. This quota is establish
under the semi-annual Foreign Exchange Budget f
the periods April 1 to September 30, and October
to March 31. Importers may apply directly to t
authorized bank for the foreign exchange needed
pay for the goods and for permission to import.

The schedule of imports admitted under the Aut
matic Approval System of import procedure was a
nounced originally in Import Notice No. 2, the late
consolidation of which is dated October 7, 196
Import Notice No. 2 contained some 977 statistic
numbers covering some 701 different commoditie
This was amended by Import Notice No. 3 of the san
date, in which some 265 statistical numbers coveri
some 222 additional items were added to the schedul

With the addition of the statistical numbers ar
commodities listed in Import Notice No. 4 there a
now approximately 1,851 statistical items and son
1,436 different commodities under the Automat
Approval System of import procedure.

Exporters and other interested business firms m
ascertain the status of any individual commodity und
the Japanese import procedure by writing to the As
and Middle East Division, International Trade Rel
tions Branch, Department of Trade and Commerc
Ottawa.

New Zealand

LICENSING PERIOD EXTENDED—Import licenc
originally issued to cover the twelve months of 196
will now have to provide for imports through to Marc
31, 1962. In effect, this means that business availab
in New Zealand during 1961 will be reduced for man
commodities by 25 per cent, and the outlook for ne
year will be less favourable because of the thre
months' delay in announcing the subsequent impo
program.

New Zealand will also change the dates of th
import licensing year during 1962 and it is probab
that fresh import licences will become available durin
the year rather than at the beginning, as has been th
practice in the past.

In addition to items of interest to Canada such
canned fish, combines, saws, asbestos, emery pape
and synthetic rubber that were affected by the revisio
of the Replacement Licensing System reported in th
May 6 issue, the following are among the commoditie
affected by this latest development: lumber, newspri
paper, marine engines, paper-mill machinery, aut
mobiles, aluminum, copper rods and tubing, tran
formers, and sparkplugs.

rway

RTHER LIBERALIZATION MEASURES—The rwegian authorities have announced that the follow- goods were freed from import licensing control as m April 1, 1961. Goods are classified according to Brussels Nomenclature; the last three numbers resent the Norwegian sub-division of the main com- dity heading.

modity No.	Description
05.07 150	Cleaned feathers and down for bedding
42.02	Travel goods (e.g., trunks, suitcases, hatboxes, travelling bags, haversacks, knapsacks, rucksacks, kitbags), handbags, wallets, purses, satchels, brief-cases, collar boxes, dressing cases, pouches, toilet bags, tool cases and similar containers of leather or of composition leather, of vulcanized fibre, of artificial plastic sheeting, of paperboard or of textile fabric
	Household and industrial gloves:
42.03 101	of glove leather, also trimmed with furskin or other materials
109	other
	Other gloves:
201	of glove leather, also trimmed with furskin or other materials
209	other
302	Belts and bandoliers
97.01	Wheeled toys designed to be ridden by children (e.g., toy bicycles and tricycles and pedal motor cars); dolls' prams
97.02	Dolls
97.03	Other toys; working models of a kind used for recreational purposes

Further information is available from the Inter- ional Trade Relations Branch of the Department of de and Commerce.

goslavia

RIFF AND FOREIGN EXCHANGE REFORMS

A further step in Yugoslavia's announced program economic reform measures, outlined in the February , 1961, issue of *Foreign Trade*, was the introduction a Customs Tariff on March 5, 1961. The new goslav tariff is based on the Brussels Nomenclature d its rates of duty (ad valorem) range from 0 to per cent. The average rate on raw and semi-manu- tured products is about 7 per cent, with a spread ween 0 and 34 per cent; the average duty on finished ods is 35 per cent with a spread between 0 and per cent. Canada, along with other countries which change most-favoured-nation-treatment with Yugo- via, enjoys the lower preferential rates of the tariff.

Within the framework of the reform program, a itary exchange rate of 750 dinars to the U.S. dollar was established on March 1, replacing the numerous rates which had been variously applied according to the imported product and the exporting country.

Closely related to these measures is a new system of foreign exchange allocation for the payment of imported goods which came into effect in February 1961. Imports are divided in five groups which are listed as follows:

1. "Goods free for import" include industrial materials and consumer goods which can be freely imported and for which the foreign exchange would be readily available to importing Yugoslav enterprises. Canadian exporters may be interested in the following commodities for which the applicable Yugoslav tariff rates are shown: graphite electrodes, 22 per cent; magnesium, 5 per cent; graphite, 25 per cent; dodcey benzole for detergents, 25 per cent; synthetic fibres, 25 per cent; wool rags and waste, free; synthetic yarn, 25 per cent; nylon yarn and orlon, 25 per cent; technical felt, 25 per cent; sieves, mill, 29 per cent; cotton waste, free; codfish, 10 per cent.

2. "Goods imported on the basis of a liberal permit" include commodities which require an import licence from the Foreign Trade Committee before exchange can be allocated. Among commodities in this group are the following items of interest to Canadian exporters: copper and copper alloy, waste and scrap, free; iron ore above 42 per cent Fe., free; grey pig iron, free.

3. "Goods for which import quotas have been set" include imports for which the quantities, the amount of allocated foreign exchange, and the name of the importing Yugoslav organization are determined annually by agreement among interested Yugoslav Ministries. The following articles in this group may be of interest to Canadian exporters: aluminum, free; copper, electrolytic and other, free; nickel, 5 per cent or free if a tariff quota should be established; pig iron, white, free; scrap iron, free; fertilizers, nitrate, 10 per cent; pharmaceutical raw materials, free; asbestos fibres, free; newsprint, free; household electric heaters, 55 per cent; household electric radiators, 55 per cent; household electric hotplates, 55 per cent; electric irons, 55 per cent; household electric kitchen ranges, 55 per cent; household washing machines, 45 per cent; household refrigerators, 33 per cent; medicaments, 30 per cent; medical instruments, 32 per cent; medical dressing material, 30 per cent.

4. "Goods imported on the basis of a restrictive permit" include commodities for which an individual import permit must be obtained. However, allocation of foreign exchange is not guaranteed unless finally approved by the Yugoslav National Bank. This list contains the following items of interest to Canadian exporters: radioactive chemical elements and radioactive isotopes, free; typewriters, 35 per cent.

5. All other goods come under the group "Imports on the basis of general permits", under which no permits for individual shipments are necessary. An over-all general quota of foreign exchange is to be set annually for this group of products.

The various controls set out above do not include imports of capital goods or imports of certain finished consumer goods for which special regulations will be issued later.

Complete lists of imports under groups one to four, as well as information on rates of duty, are available from the International Trade Relations Branch of the Department of Trade and Commerce.

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**Unless otherwise noted, all offices of the Department are in this building. Cable address: COMAGENT, Ottawa. If you a telephoning from out of town, call the government switchboard, CEntral 2-8211, and ask for the local; if you are in Ottaw dial 9, then the government local.*

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The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.01266.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent May 19	Units per Canadian dollar	Notes (See belov
Argentina	Peso	Free	.01196	83.61	
Austria	Schilling		.03787	26.41	
Australia	Pound		2.2060	.4533	
Bahamas	Pound		2.7575	.3626	
Belgium and Luxembourg	Franc		.01976	50.61	
Bermuda	Pound		2.7575	.3626	
Bolivia	Boliviano	Free	.00008643	11,570.06	
British Guiana	Dollar		.5745	1.74	
British Honduras	Dollar		.6894	1.45	
Brazil	Cruzeiro	Free	.003712	269.40	
		Special Category	Auctions temporarily suspended	Auctions temporarily suspended	
		Official selling			
Burma	Kyat		.2074	4.82	
Ceylon	Rupee		.2068	4.83	
Chile	Escudo	Free	.9387	1.06530	
Colombia	Peso	Certificate	.1474	6.78	
Congo, Republic of	Franc		.01976	50.61	
Costa Rica	Colon	Official	.1759	5.68	
		Controlled free	.1486	6.73	
Cuba	Peso		.9875	1.01266	tax
Czechoslovakia	Koruna		.1371	7.29	
Denmark	Krone		.1425	7.02	
Dominican Republic	Peso		.9875	1.01266	
Ecuador	Sucre	Official	.06584	15.19	
		Free	.05333	18.75	
Egyptian Region, United Arab Rep.	Pound	Official	2.8357	.3526	
		Export account selling	....	....	
El Salvador	Colon		.3950	2.53	
Fiji	Pound		2.4842	.4025	
Finland	Markka		.003086	324.04	
France, Monaco, etc.	New Franc		.2015	4.96	
Franco-African Republics, etc.	Franc		.004030	248.14	
French Pacific	Franc		.01108	90.25	
Germany	D Mark		.2487	4.02	
Ghana	Pound		2.7575	.3626	
Greece	Drachma		.03291	30.38	
Guatemala	Quetzal		.9875	1.01266	
Haiti	Gourde		.1975	5.06	
Honduras	Lempira		.4938	2.02	
Hong Kong	Dollar	Free*	.1712	5.84	*May
		Official	.1723	5.80	
Iceland	Krona	Official	.02599	38.48	
India	Rupee		.2068	4.83	
Indonesia	Rupiah	Official	.02194	45.57	
Iran	Rial		.01304	76.71	
Iraq	Dinar		2.7650	.3617	
Ireland	Pound		2.7575	.3626	
Israel	Pound		.5486	1.82	
Italy	Lira		.001591	628.53	
Japan	Yen		.002743	364.56	

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*Latest available quotation date.

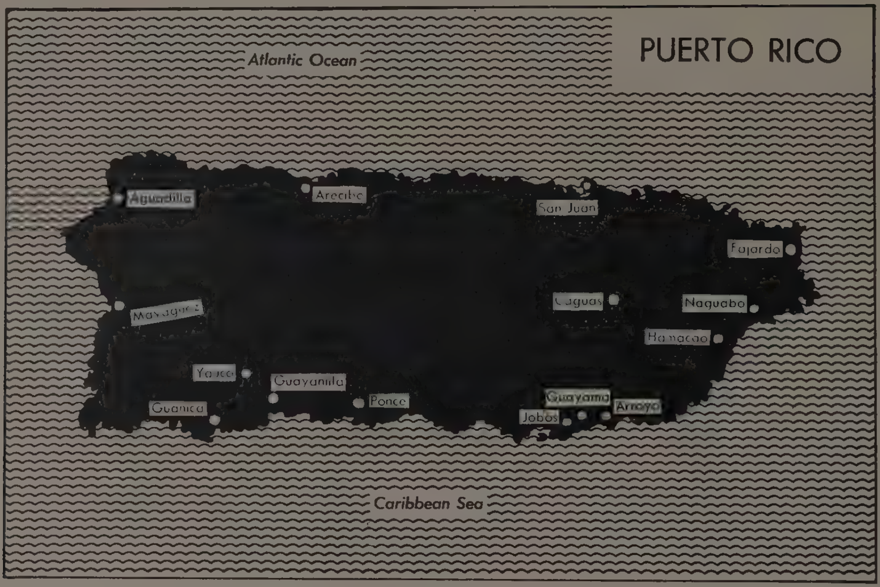
Country	Unit	Type of Exchange	Can. dollar equivalent May 19	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3102	3.22	
Mexico	Peso		.07900	12.66	
Morocco	Dirham		.1975	5.06	
Netherlands	Florin		.2748	3.64	
Netherlands Antilles	Florin		.5236	1.91	
New Zealand	Pound		2.7575	.3626	
Nicaragua	Cordoba	Effective buying	.1496	6.68	
		Official selling	.1400	7.14	
Nigeria	Pound		2.7575	.3626	
Norway	Krone		.1379	7.25	
Pakistan	Rupee		.2068	4.83	
Panama	Balboa		.9875	1.01266	
Paraguay	Guarani	Official	.007806	128.11	
Peru	Sol		.03682	27.16	
Philippines	Peso	Free	.3292	3.04	
		Official	.4938	2.02	
Portugal & Colonies	Escudo		.03446	29.02	(8)
Singapore and Malaya	Straits Dollar		.3217	3.11	
Spain and Dependencies	Peseta		.01646	60.76	
Sweden	Krona		.1914	5.22	
Switzerland	Franc		.2281	4.38	
Syrian Region, United Arab Rep.	Pound	Free	.2762	3.62	
Thailand	Baht	Free	.04671	21.41	(7)
Tunisia	Dinar		2.3799	.4202	
Turkey	Lira		.1097	9.11	(7)
Union of South Africa	Rand		1.3788	.7253	
United Kingdom	Pound		2.7575	.3626	
United States	Dollar		.9875	1.01266	
Uruguay	Peso	Free	.08953	11.17	(9)
Venezuela	Bolivar		.2950	3.39	(10)
West Indies Fed.	Dollar		.5745	1.74	(11)
	Pound		2.7575	.3626	(12)
Yugoslavia	Dinar	Official	.001317	759.30	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. For imports of wheat, newsprint and petroleum, the exchange is fixed at Cr.200 to U.S. dollar.
3. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
4. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
10. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

Markets in Brief: PUERTO RICO



Area: 3,423 square miles.

Population: 2,317,000.

Climate: tropical.

Language: Spanish and English.

Currency: U.S. dollar.

Weights and measures: same as the United States.

Capital and chief port: San Juan; population 228,000.

Economy: over 50 per cent of the total export values are derived from industry, mainly branch plants of United States firms utilizing low-cost labour, guided by government organizations, and granted property and income tax exemptions. Agriculture important, with sugar and byproducts leading commodity.

Total Puerto Rican imports: fiscal year ended June 30, 1959—U.S.$808,722,885.

Chief suppliers: (U.S.$ million) fiscal year ended June 30, 1959—United States $671.4, Venezuela 62.8, West Germany 13.4, Canada 12.6, United Kingdom 6.3, Belgium and Luxembourg 5.8.

Value of imports from Canada: (Can. dollars) 1960—lumber $3,842,493, salted and cured fish 3,457,512, newsprint 1,079,470, passenger automobiles 486,324, malt 482,155, copper tubing 469,578.

Total Puerto Rican exports: fiscal year ended June 30, 1959—U.S.$503,234,777.

Chief markets: (U.S.$ million)—United States $482.2, Dominican Republic 4.3, Netherlands West Indies 2.3, Mexico 2.1, Canada 0.9.

Value of exports to Canada: 1960—Can.$2,904,028; 1959 Can.$1,780,454; 1958—Can.$1,442,644.

Chief Canadian purchases: (Can. dollars) 1959—rum $525,5 ethylene glycol 442,297, electric irons 222,111, machin and parts 120,097.

Dollar exchange: freely available.

Import controls, documentation, customs tariffs, marking a labelling: Puerto Rico is part of the United States. customs duties are collected on goods from the U.S. for other countries, including Canada, the duties are same as those of the United States. Certain inter taxes apply to goods from all sources.

Canadian banks: Royal Bank of Canada, San Juan and f branches; Bank of Nova Scotia, San Juan and t branches.

Communications: Puerto Rico is three-and-a-half hours by from New York.

For detailed information on this market write to:

United States Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
Apartado 1393
Ciudad Trujillo
Dominican Republic

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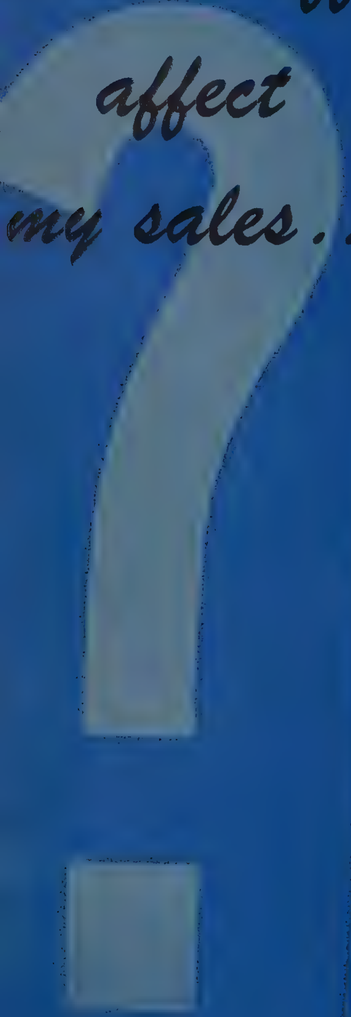

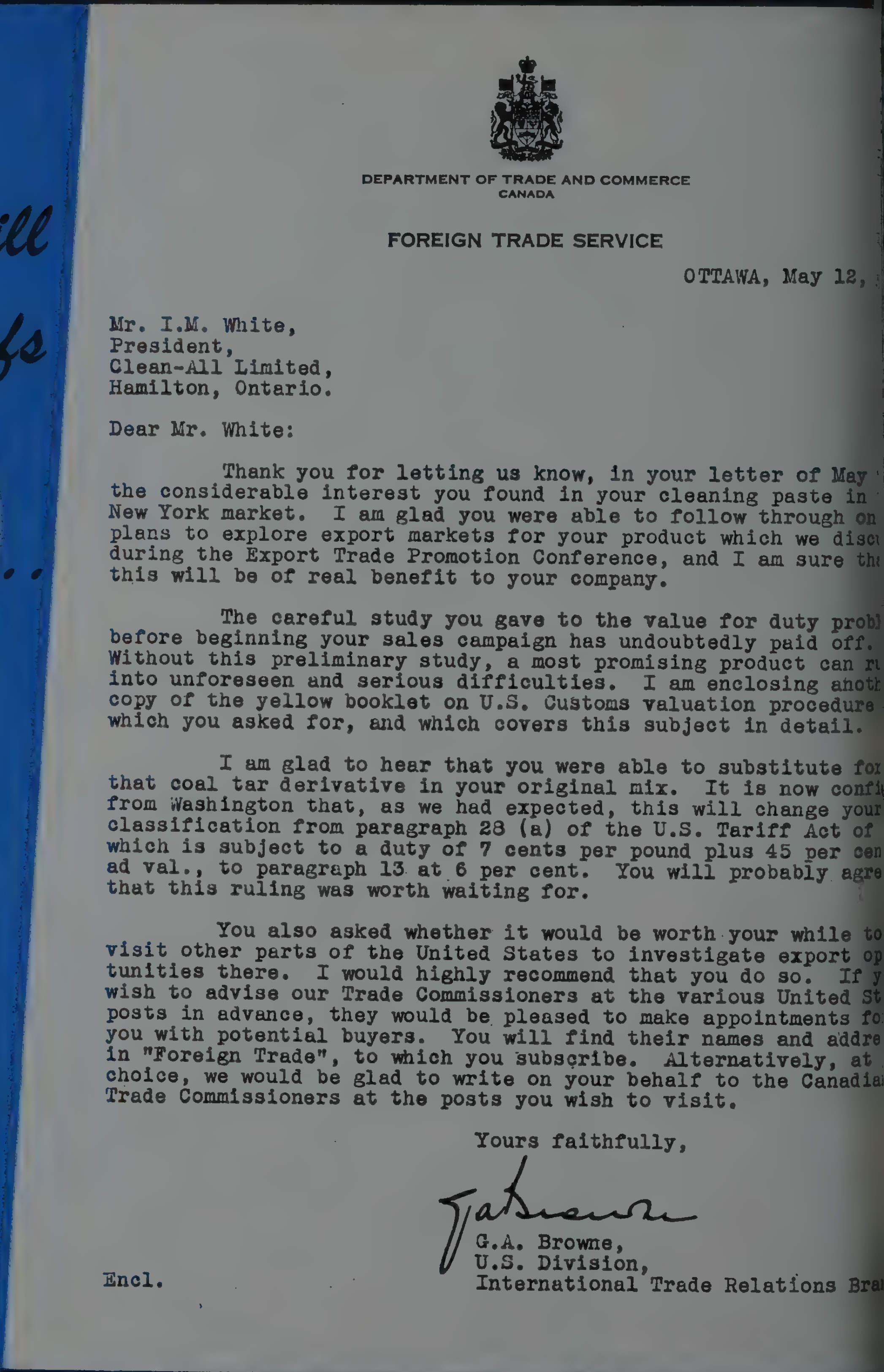

DEPARTMENT OF TRADE AND COMMERCE
CANADA

FOREIGN TRADE SERVICE

OTTAWA, May 12,

Mr. I.M. White,
President,
Clean-All Limited,
Hamilton, Ontario.

Dear Mr. White:

Thank you for letting us know, in your letter of May
the considerable interest you found in your cleaning paste in
New York market. I am glad you were able to follow through on
plans to explore export markets for your product which we disc
during the Export Trade Promotion Conference, and I am sure th
this will be of real benefit to your company.

The careful study you gave to the value for duty probl
before beginning your sales campaign has undoubtedly paid off.
Without this preliminary study, a most promising product can r
into unforeseen and serious difficulties. I am enclosing anoth
copy of the yellow booklet on U.S. Customs valuation procedure
which you asked for, and which covers this subject in detail.

I am glad to hear that you were able to substitute fo
that coal tar derivative in your original mix. It is now confi
from Washington that, as we had expected, this will change your
classification from paragraph 28 (a) of the U.S. Tariff Act of
which is subject to a duty of 7 cents per pound plus 45 per cen
ad val., to paragraph 13 at 6 per cent. You will probably agre
that this ruling was worth waiting for.

You also asked whether it would be worth your while to
visit other parts of the United States to investigate export op
tunities there. I would highly recommend that you do so. If y
wish to advise our Trade Commissioners at the various United St
posts in advance, they would be pleased to make appointments fo
you with potential buyers. You will find their names and addre
in "Foreign Trade", to which you subscribe. Alternatively, at
choice, we would be glad to write on your behalf to the Canadia
Trade Commissioners at the posts you wish to visit.

Yours faithfully,

G.A. Browne,
U.S. Division,
International Trade Relations Bra

Encl.

Trade and Commerce Can Help Y

Brazilians Buy Seed Potatoes (page 2)

T. C. Service Opens Philadelphia Office (page 5)

FOREIGN TRADE

DEPARTMENT
OF TRADE AND
COMMERCE
OTTAWA

JUNE 17. 61

FOREIGN TRADE

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Brazilians Buy Seed Potatoes 2

Brazil is gradually becoming a market for Canadian certified seed potatoes, because Trade Commissioners, Canadian producers, and Brazilian co-operatives have worked together in planting them experimentally and establishing specifications, preferred varieties, and shipping procedures to be followed.

T.C. Service Opens Philadelphia Office 5

Formerly included in the territory of the New York office, Philadelphia now becomes the headquarters for two Canadian Trade Commissioners, charged with looking after Canadian trade interests not only in Pennsylvania, but also in the states of Delaware, Maryland, Virginia and West Virginia.

Advertising Abroad: Belgium 8

Canadian exporters of industrial materials to Belgium face different advertising problems than do companies trying to sell consumer goods. But both groups could profit from this study of Belgian advertising media and methods.

Portugal Progresses with Second Plan 16

Need to catch up with industrial progress in other countries within the European Free Trade Association has stimulated the Portuguese people to greater efforts in implementing their ambitious six-year development plan.

French Aluminum Production Soars 18

Tracing the growth of this dynamic French industry, the author reaches certain conclusions about the heightened competition with other producers such as Canada, and the need for additional sources of supply of aluminum ingot.

Selling Telecommunications Equipment in Chile 21

This report not only details the kinds of equipment that Chile wishes to buy, but the procedure to follow in trying to capture part of the market. It is based on information obtained from 18 potential and regular Chilean buyers.

Export Finance Corporation in Business 4
The Southern Pulp and Paper Industry Expands 6
Australia's Export Drive 7
The Librarian Suggests 11
Canada Sells Steel to Britain 13

Commodity Notes 23
Fairs and Exhibitions 14
Foreign Exchange Rates 34
Foreign Tariffs and Trade Regulations 25
Foreign Trade Service Abroad 28
General Notes 26
Markets in Brief 36
Trade Commissioners on Tour 27

MING——DEVELOPMENT AND TRADE IN WESTERN EUROPE, JULY 1 ISSUE

Five years' work in developing a market for Canadian certifi seed potatoes in Brazil is beginning to bring results. Our São Pau office explains how to follow up these pioneer efforts and wh Brazilian buyers demand.

Brazilians Buy Seed Potatoes

R. C. ANDERSON,
Vice Consul and Assistant
Trade Commissioner, São Paulo.

BRAZIL is gradually increasing its imports of seed potatoes and each year demand is growing. Brazilians do not look on potatoes as a staple of their diet; rice and beans are far more important crops. Nevertheless, consumption of potatoes is increasing and this will be a continuing market for imported seed potatoes because the climate causes the seed to degenerate and it must be replaced.

Potatoes are grown mainly in the southern states of Brazil. Where there is suitable moisture, mainly through irrigation, potatoes are planted and harvested throughout the year and there are no planting seasons as we know them in Canada. Imported seed is usually ordered to arrive in Brazil from October to January and planted as received, depending on moisture conditions. The best time is usually during January and February. Potatoes mature as early as 70 and as late as 120 days from date of planting, with the amount of rain and heat responsible for the variation. The state of Rio Grande do Sul has the largest area under cultivation but yield is low and the state of São Paulo produces the largest volume. The Japanese colony in São Paulo has made a great contribution to the cultivation of domestic seed potatoes from imported seed and has introduced the use of fertilizers and irrigation which has resulted in progressive higher yields.

TABLE I

BRAZILIAN CULTIVATION AND PRODUCTION OF POTATOES

	Cultivated area		Production		Percentage over 1959 (per cent)
	1959	1960	1959	1960	
	(1,000 hectares)		(1,000 tons)		
São Paulo	43	45	342	379	10.8
Paraná	32	34	162	170	4.9
Santa Catarina	15	16	52	54	3.8
Rio Grande do Sul	58	63	258	289	12.0
Minas Gerais	17	20	98	119	21.4

Table I shows the area und cultivation and production in 19 and 1960. São Paulo is the maj centre for imported seed potato and up to 95 per cent of all impo into Brazil find their way to S Paulo.

Present Suppliers

In 1960, approximately 150,0 crates of 30 kilos each were i ported into the state of São Pau and well over half were the Bin variety from the Netherlands, f which demand is greatest. Denma and Poland supplied about equ amounts and the remaining su plier was West Germany, whi exported 15,000 crates to this are Four of the largest co-operativ are the major importers in S Paulo and handle about 95 p cent of all the seed potatoes i ported. Members place their orde with the co-operatives in Octob

TABLE II

NUMBER OF CRATES IMPORTED

(each crate contains 30 kilos of seed potatoes)

	1958	1959	196
Netherlands (Bintje variety)	52,500	22,500	85,0
Denmark	12,000	30,500	27,0
Poland		6,000	25,0
West Germany	48,000	40,000	15,0
Total	112,500	99,000	152,0

Brazilian Importers of Seed Potatoes . . .

1. Usually place their orders in the late fall.
2. Specify seed potatoes with a minimum diameter of not less than 30 and a maximum of not over 60 millimetres.
3. Insist that imports be packed in crates or containers with a net weight of not more than 30 kilos.
4. Demand that shipments be accompanied by a certificate confirming the quality of the potatoes and their freedom from disease.
5. Want shipment made in vessels in which the temperature of the hold can be controlled.
6. Prefer Sebago and Kennebec varieties, because experimental plantings have given good results.

the co-operatives then order : total requirements. Table II ws the source of imports for the s 1958 to 1960.

ulations for Entry

he Federal Ministry of Agricul- controls the import of seed toes and from time to time new lations come into effect which ige requirements. On September 1960, a new directive was is- l that all seed potatoes imported Brazil must have a minimum neter of not less than 30 milli- res and a maximum diameter greater than 60 millimetres. All toes must be packed in special es or containers with a net ght of no more than 30 kilos. ertificate is also required stating the seed potatoes are from os especially planted for pro- ing seed potatoes and that the ls and seeds were officially in- cted for diseases caused by ses and other potato diseases that the potatoes were certified ording to standards established basic stock.

roducing Canadian Seed

During the past five years the artment of Trade and Com- rce has made a concerted effort ntroduce Canadian certified seed atoes into Brazil. An agricul- alist with special knowledge of atoes has been employed to as- in placing seed potatoes re- ved from Canada in the hands selected growers for experimen- planting. This work has been e in São Paulo through the co- eratives, which have taken an ve interest in having members their association plant Canadian d potatoes and keep records of results. During the first two rs a great deal of difficulty was erienced in getting Canadian d potatoes into Brazil in good sical condition because of the g voyage and the humidity en- ntered upon arrival in Brazil. ring the past three years the ults have been generally good and the stock has been received in good physical condition.

However, two major obstacles must be overcome in selling Canadian certified seed potatoes commercially in Brazil. The first obstacle is the decided preference for yellow-fleshed potatoes. This is the direct result of the concentrated efforts of European exporters in introducing their yellow-fleshed potatoes to this market over the last 25 years. White-fleshed potatoes are not in demand and they command a lower price in the marketplace. The second obstacle has been the size of the Canadian potato, which is larger than the European varieties. The Brazilian housewife prefers to serve potatoes whole, as is possible with the smaller European varieties, rather than cutting them in pieces as is usually done with the larger Canadian varieties. It was discovered that Rio de Janeiro does not have the same decided preference for yellow-fleshed potatoes as does São Paulo and production from experimental plantings in São Paulo in 1960 was shipped to Rio de Janeiro, where good sales were made. Rio de Janeiro would seem to be a good initial outlet for production resulting from Canadian seed. As for the size of the potato, it will take a little time to convince the Brazilian housewife that the larger the potato, the less time involved in preparation for cooking.

The first commercial orders for Canadian certified seed potatoes were placed in 1960. Unfortunately the Canadian supplier was unable to meet Brazilian specifications on the size of the potato and was also unable to comply with the regulation for the size of crate. The Ministry of Agriculture has laid down these specifications because of the climate and soil conditions in Brazil. It has been found that best results are obtained from seed which is planted whole, because normally the soil is very damp and rotting (mainly caused by extreme temperatures rather than moisture) is a decisive factor; this explains the regulation requiring small potatoes. Large ones cannot be sliced up as they are in Canada without risking a loss of up to 60 per cent because of failure to germinate due to rot. The maximum weight limit of 30 kilos per crate was established partly because of the rotting taking place during shipment and partly to facilitate handling on arrival in Brazil.

How to Ship

Importers who have had a great deal of experience in importing seed potatoes have found that it is best to use ships that have holds where the temperature can be controlled. It is suggested that the shipment be started out in a hold where the temperature is ten degrees Centigrade. Six days before arrival in Santos, the ship should request information from Santos (the port of entry for the São Paulo area) on the outdoor temperature, and during the last six days the temperature should be raised gradually to the exact temperature at the port of destination. The potatoes will then arrive without the usual sweating that has caused so much rotting and in good physical condition.

Opportunities for Canadians

Canadian seed potato exporters have faced a handicap in years past because of the cost differential between imports from dollar countries and the non-dollar European suppliers. This handicap has disappeared and if Canadian seed-potato exporters are willing to meet the requirements of the Brazilian Ministry of Agriculture and ship small quantities to develop this market, a new export outlet could be established for Canadian seed potatoes. Particularly good results have been obtained from experimental plantings of the Sebago and Kennebec varieties, which have yielded well and are highly resistant to disease. One importer who has had 15 years' experience in importing seed potatoes expressed the opinion that Canadian exporters, by supplying 500 crates the first year, could double this every year for three years. They could also, he believes, if they are interested enough, provide a real challenge to the present supplying countries in this growing market. ●

Export Finance Corporation in Business

THE chartered banks of Canada took a forward step recer when they brought into operation the newly incorporated Exp Finance Corporation of Canada, Ltd. This move should ben exporters and importers alike and, in the long run, could h far-reaching effects on the welfare of all Canadians.

The objective of the Corporation is to finance and facilit exports and imports and the exchange of goods and servi between Canada and other nations. For the immediate futu however, export of capital goods will be emphasized.

The chartered banks of Canada are all participating in new Corporation and have supplied the initial working capi of $10 million. Thus, if the need arises, the Corporation mi be in a position to undertake financing up to $100 million. T authorized capital is $50 million and this amount, when su scribed, could form the basis of $500 million in financing.

The Export Finance Corporation will engage initially in t refinancing of medium-term export obligations undertaken by t chartered banks, insurance for which has been arranged with t Export Credits Insurance Corporation. Although it is reco mended, therefore, that exporters who propose to engage this type of transaction should consult their bankers and t Export Credits Insurance Corporation, the staff of the Expo Finance Corporation will always be ready to assist them.

Export Finance Corporation will not involve exporters any additional cost because, by arrangement with the charter banks, transactions will be accepted at the same rates as tho the banks accord to their customers. For transactions expresse in U.S. dollars, rates generally available in the United States w apply; at present, these are a little lower than rates in Canada.

Export Finance Corporation has established its office in Sui 1314, Prudential Building, 4 King Street West, Toronto (EMpi 2-6406). H. Duke Scott, the general manager, was former assistant general manager in charge of the International Depar ment of the Imperial Bank of Canada. The secretary-treasur is Maurice R. Jennings, who for a number of years served wi the Foreign Department of the Canadian Bank of Commerce ar who more recently has held executive posts with compani engaged in exporting and importing.

A. F. Mayne, executive vice-president of the Royal Bank Canada, is president of Export Finance Corporation, and T. Boyles, deputy general manager of the Bank of Nova Scotia, vice-president. Each of the chartered banks has two represent tives serving on the Board of Directors.

Export Finance Corporation plans to co-operate closely wi the newly established Export Finance Division of the Expo Credits Insurance Corporation. It seems not unlikely that th future may see the bankers carrying short-term financing up about one year, Export Finance Corporation handling the medium term financing of one to five years, and Export Credits Insuranc Corporation looking after the longer-term financing.

As exporters take advantage of these various facilities, ar should the supply of money so dictate, the new Corporation coul become a significant factor in Canada's short-term money marke

—MAURICE R. JENNINGS,

Secretary-Treasurer, Export Finance Corporation of Canada, Lt

T.C. Service Opens Philadelphia Office

rly this month, the Department of Trade and Commerce estab-
ıed an eighth Trade Commissioner post in the United States.
ter a painstaking study, Philadelphia was selected as the site, for
reasons set out in this brief article.

June 5, 1961, the Canadian
vernment opened a new and
nbined Consulate and Trade
nmission office in Philadelphia,
nsylvania.

.ong known as the "Friendly
y" because of its traditional as-
iation with the Quaker sect,
ladelphia now has a new slogan,
y on the Move. The slogan is
, for the city, renowned for its
ıcational and cultural institu-
ns, is now surging ahead in the
lm of commerce and industry at
pace virtually without equal on
s continent. Its metropolitan pop-
tion of over four million makes
he fourth largest urban centre in
United States. In addition, it is
fifth largest manufacturing
tre, fourth largest retail market,
l second largest oil-refining
ntre in the country.

oice Made Carefully

Before deciding on the site for
new post in the United States
ere the emphasis would be on
de, several alternative locations
re considered. Careful studies
ealed that Philadelphia, with the
vily populated areas surrounding
holds the largest market potential
Canadian goods of any area in
ich no Canadian office had been
ablished. Philadelphia itself is a
der in several important aspects
including the largest number of new industrial plants and the "highest value added by new manufactures" annually. *Dun's Review* indicates that the latter index recorded an increase of 20.4 per cent from 1954 to 1958, thus considerably exceeding the national average. Since 1950, thirty major construction and improvement projects costing $40 million have been completed in Philadelphia. Eight others now under way will cost $16 million.

In 1960, Greater Philadelphia had over 8,000 industrial plants and approximately 500,000 people employed in industry and commerce. A network of railways and highways converge on the city from nearly every direction, providing it with transportation facilities second to none. Its port, located on the Delaware River with access to the ocean, is the second largest in the United States and is able to handle the largest ships afloat. Thousands of foreign vessels come in to Philadelphia each year, and some 3.8 million tons of Canadian goods, valued at $42.4 million, entered the port in 1960, according to U.S. Customs figures.

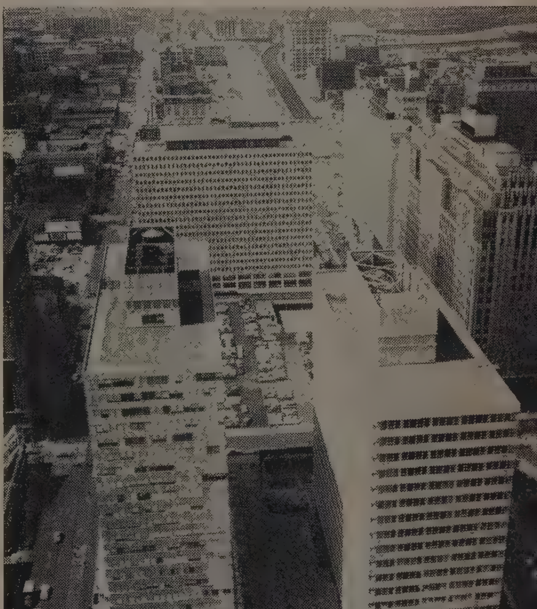
Philadelphia is located in U.S. Customs District No. 11, which takes in most of Pennsylvania except a portion of the western part of the state in which Pittsburgh is located. After New York, this ranks as the second most important Customs District in the United States, with imports of foreign goods worth U.S.$126 million in 1959—or 7.5 per cent of the national total. The main flow of Canadian goods into the area in 1960 consisted of lumber, newsprint, wood pulp, feed grains, table-stock potatoes, Christmas trees, agricultural implements, barytes, asbestos, gypsum and fertilizers.

Office Now Open

With the opening of the Philadelphia office, the Department of Trade and Commerce aims to win for Canada a larger share of this lucrative and fast-growing market. Both the variety and volume of Canadian exports to the area should increase substantially.

The office is staffed by Wiley J. Millyard, as Consul and Trade Commissioner, and John B. McLaren as Vice Consul and Assistant Trade Commissioner. Mr. Millyard

Penn Centre, Philadelphia's redevelopment project in the heart of the city, is the location of the newest office of the Canadian Trade Commissioner Service.



has had fifteen years' experience in the Trade Commissioner Service and has served in Mexico City, Guatemala, Colombia, and the Federation of Rhodesia and Nyasaland, where he opened the office in Salisbury. For the past three years he has been stationed in Ottawa as the Assistant Director (Administration) of the Trade Commissioner Service. Mr. McLaren joined the Service in 1958 and was posted to Karachi, Pakistan, for two years as Assistant Commercial Secretary.

Canadian businessmen interest in trade with this part of the Unit States should address their inquiri to the Canadian Consul and Tra Commissioner, Number 3 Pe Centre Plaza, Philadelphia, Pennsy vania. ●

Pulp and Paper

The Southern Industry Expands

The paper and paperboard manufactures of the South have risen to 13.7 million tons a year from almost nothing in 1946; competition from these mills increases but Canadian pulp and paper exporters are maintaining their position in the U.S. market.

T. F. HARRIS, *Consul and Trade Commissioner, New Orleans.*

THE South* is appropriately called the pulp and paper center of the United States, as production figures for 1959 prove. In that year it produced 40 per cent of the U.S. supply of paper and board, 59 per cent of the total wood pulp output, and 61 per cent of all pulpwood cut.

Production of paper and board in the South has risen 66 per cent in the past ten years, compared with a rise of only 12 per cent in the Northeast and 18 per cent in the North Central region. United States census figures show that in 1959, 34 million tons of paper and board were produced in the whole country and the 15 Southern States accounted for 13.7 million. In 1959, the South produced 4.8 million tons of paper and 7.6 million tons of paperboard; total U.S. output was 15 million and 15.5 million tons respectively. (The Southern figure for paperboard represents an increase of 84 per cent over ten years ago.)

Newsprint Industry

From a Canadian standpoint, the most remarkable expansion has taken place in newsprint manufacture. From 1946 to 1961, a virtually new industry grew from almost nothing until, at 1.2 million tons, it now equals the capacity of mills in the North. Bowaters Southern Paper Corporation's mill at Calhoun, Tennessee, established in 1954, is the South's largest newsprint producer. Second largest is the International Paper Company with mills at Pine Bluff, Arkansas, and Mobile, Alabama. Others are the Coosa River Newsprint Company at Coosa Pines, Alabama, and Southland Paper Mills Inc., at Lufkin, Texas. Noralyn Paper Mills of Baton Rouge, Louisiana, has announced that it intends to manufa ture newsprint but is uncerta when construction of a mill w begin.

Newsprint Production

United States production of new print in 1959 totalled 1,924,0 tons, of which the South produc 996,000. This increase in U.S. ou put from only 771,000 tons in 194 has been accompanied by a decli in the percentage of U.S. dema supplied by Canadian mills a though, in absolute terms, Canadi newsprint exports to the Unit States have increased. U.S. co sumption of newsprint in 194 totalled 4.33 million tons and Ca ada supplied 3.56 million. In 19 the figures were 7.15 million a 5.12 million tons respectively. Du ing the period of scarcity whi followed World War II, Canadi mills were the only ones wi capacity readily available and ca able of rapid expansion. They i creased their share of the U.S. ma ket to 80 per cent, substantial more than the prewar 67 per ce This high percentage gradually d creased and in 1959 it stood at 7

Wood Pulp

Southern production of woo pulp in 1959 (14.3 million tons represented 59 per cent of total U.

---

*The Southern States are Delaware, Maryland, Virginia, West Virginia, the Carolinas, Georgia, Florida, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas.

duction (24.4 million tons).
om 1955 to 1959 groundwood
p production in the South rose
m 668,000 to 1,112,000 tons,
66 per cent. Production of paper
des of sulphate wood pulp in-
ased from 9.23 million to 11.13
lion tons, and semi-chemical rose
m 791,000 to 904,000 tons. De-
ated, exploded and other me-
nical wood pulp declined from
3,000 to 485,000 tons.

The South now has 76 pulp mills
h a combined daily capacity of
112 tons of dry pulp. Florida,
h 10 mills and an 8,100-ton
acity, ranks first among the
ithern States; Georgia and Lou-
na, each with 10 mills, rank
ond and third. At the end of
59, seven additional pulp mills
re planned or under construction
l when completed, they will add
estimated 2,125 tons of capacity.
nounced enlargements of existing
nts will add still more. So far,
ithern production of wood pulp
had little or no effect on Can-
an wood pulp exports to the
ited States; it is either consumed
the new mills or exported to
rope.

lpwood

Pulpwood production in the South
1959 reached 22.75 million
rds, an all-time record. The pre-
us high was 20.34 million cords,
in pre-recession 1956. Most of it
s roundwood—bolts cut from
nding timber; of the total South-
pulpwood production, 90 per
nt was in this form and about
r-fifths of the roundwood was
ithern pine. Loblolly and short-
f predominated and, with long-
f and slash, made up the bulk
the cut. However, a substantial
lume of Virginia pine was cut
the Piedmont and mountains of
Southeast.

rdwoods

Although pine roundwood is still
mainstay of the Southern pulp
lustry, the use of hardwoods has
panded over the past decade and
1959 the trend was accentuated. Hardwood production reached 3.77 million cords, a record 28 per cent increase over the previous year. More notable than the actual per cent increase was the gain in relation to pine. Hardwoods have comprised 14-16 per cent of the total roundwood harvest in recent years; they now account for 19 per cent. Letting the more abundant hardwoods play a greater rôle in the expansion of the pulp industry is considered a significant step toward better use of timber.

Why the South?

The location of pulp, paper, and paper products plants is governed chiefly by the current and future availability of pulpwood and fresh water. This region's advantages in these fields account largely for the growth of the industry in the South. The Southeast in particular has a high annual rainfall and a long growing season, two essentials for rapid tree growth. Only half as many acres are required to sustain a mill here as in New England or Canada, where growth is much slower. It takes only 12 to 15 years to grow pine trees in the South, compared with 50 to 60 years in the North. This significantly reduces the cost of transporting trees to the mill, because ample pulpwood can be obtained closer to the mill. Moreover, it reduces the capital investment in land needed to furnish a mill with pulpwood.

Despite these natural advantages, the South might never have become an important producer of paper products had not chemical research and technological development made it possible to convert southern pine into such diverse products as paper, paperboard, newsprint, rayon, acetate and cellophane.

The manufacture of these products requires an abundant supply of fresh water, and here too the South holds a favourable position; the numerous rivers and streams, bolstered by a heavy rainfall, supply the need. ●

Australia's Export Drive

DETAILS of the Australian Federal Government's new export incentives were announced recently by the Australian Minister of Trade. They include payroll-tax rebates on new exports, special tax concessions on export promotion expenses, the setting up of additional Trade Commissioner posts, and intensified trade mission work. The legislation to be introduced will also include benefits to be obtained by firms supplying materials and components to the final manufacturer. These two taxation arrangements will provide incentives to both exporters and their suppliers.

The Trade Minister stated that the Government's export planning had always assumed the great primary and mining industries would continue to earn for Australia the bulk of its foreign exchange. These industries must be assisted to hold and expand their markets and in addition, exports of factory products must be increased.

Payroll-tax rebates will be determined according to the increase in the value of exports that a domestic producer achieves over the value of his exports in the base years 1958-59 and 1959-60. The rebate will apply for three years.

The Taxation Department will offer similar rebates on company expenditure for overseas market development. The existing rebate will be doubled from 8/- to 16/- per Australian pound to provide further inducement for vigorous promotion.

Large-scale trade development efforts have been authorized in South America and the Middle East. Trade Commissioner posts will be opened in Lima, Peru, and Caracas, Venezuela, and possibly in Iran and Lebanon in the near future. The Cairo post will be strengthened. Trade missions are scheduled to visit South America and the Middle East this year and, in co-operation with industry, a trade display ship will visit the Persian Gulf area in 1962.

The Minister of Trade indicated that the Government's export program is based on certain essentials. They are that both primary and secondary industry must receive adequate inducement to produce for export, confident that overseas selling can be profitable; that new markets must be found and access to them negotiated; that products must be adapted to the needs of these markets and promoted vigorously, and that overseas agents must be serviced effectively.

—IAN R. SMYTH, *Assistant Commercial Secretary, Melbourne.*

Advertising Abroad

In Belgium, direct mail advertising has proved particularly effective, because of the small size of the country and concentration of population. Good mailing lists and well organized private delivery service make it possible to reach large numbers or selected groups.

A. A. LOMAS, *Assistant Commercial Secretary, Brussels.*

THE widespread use of national advertising in Belgium is largely a postwar development, but alert Belgian and foreign businessmen are employing it here to an increasing extent. Now, with the formation of the European Common Market, sales promotion through advertising becomes more urgent as the flow of products from other member countries grows and new goods and services, previously sold only within national borders, are introduced throughout the Euromart. Canadian exporters planning to sell in Belgium should include some form of advertising in their market development programs. They will find a well-developed Belgian advertising industry ready, willing and able to help them.

With its small size (11,700 square miles) and population of over nine million, Belgium has one of the highest population densities in the world. About half of its three million households are grouped in or around the five principal cities of Brussels, Antwerp, Liège, Ghent and Charleroi. Unfortunately for advertisers, this small compact ma
ket is sharply divided by a Frenc
Flemish language barrier and m
advertising—particularly nation
campaigns—must be bilingua
There are other less obvious di
sions based on regional interest
occupations and local customs ar
these also are of major importan
in planning an advertising progra

Living Standards High

Because Belgium's imports we
almost completely liberalized i
mediately after the war, this mark
has become extremely competiti
and the Belgian consumer, long e
posed to goods from every part
the world, has become one
Europe's most sophisticated an
selective buyers. Despite som
recent economic and political diff
culties, Belgians continue to enjo
a high average standard of livin
for Europe (1959 per capita i
come was 47,000 B.frs., or $940)
Traditionally, distribution has bee
in the hands of a very large num
ber of small businesses (it is est
mated, for example, that there a
about 80,000 food outlets) b
supermarkets are enjoying a phe
nomenal growth and these, wit
several large department stores an
chains, are tending to centralize th

ARMÉE DU SALUT
TAILLEURS

*A well organized private delivery servi
ensures that direct mail reaches the
maximum number of Belgian homes.
These messengers are ready to start the
rounds. The Belgian postal service can
also be used for this purpose.*

ket. Advertising is growing in cert with rising living standards these improved distribution ities, and both sellers and ers are becoming increasingly pted to its use.

ertising Expenditures Up

elgium now has a well-de- lped advertising industry with l advertising expenditures in 0 estimated at 4,000 million s. (Can.$80 million), an in- se of 25 per cent over the last years. All of the media and niques familiar to North Ameri- advertisers are employed here arying degrees. There are about full-service advertising agencies, of which are grouped in the mbre des Agents-Conseils en licité (CACP) which has its rigid code of advertising cs, including the provision that bers must charge not less than per cent commission. Agencies ide the CACP may charge less in practice this appears to be nerally accepted fee. These full- ice agencies perform all the tions of similar companies in ada, although some specialize particular media. Many other s provide only partial services, as artwork, copy-writing, bill- ting, or space-contracting. A ber of firms, including some ncies, offer facilities for market arch, consumer surveys and duct testing, and agencies, pub- ers and advertisers have joined ther to establish reliable cir- tion audits through an or- ization known as the Office nalyse de la Diffusion Pu- itaire (OFAD). Several U.S. ncies have established offices in gium, and many local firms have nections with companies in the ited States, the United Kingdom , to a lesser extent, Canada.

he advertisers themselves are anized into the Union Belge des nonceurs (UBA) whose 200 mbers account for about 75 per t of all advertising expenditures. se expenditures can be broken n as follows to show the leading duct groups advertised in 1959:

Product Group	Per cent of total advertising expenditure
Food products	21
Home products (soaps, cleansers, etc.)	18
Cars and motorcycles	10
Textile and leather products	9
Toiletries and cosmetics	9
Electrical appliances	6
Pharmaceuticals	4
Tobacco products	2
Other	21

Source: Banque Nationale de Belgique.

Although the media and techniques are about the same as in Canada, their relative importance is somewhat different, as the accompanying table of estimated advertising expenditures in 1959 by media shows.

Newspapers

Newspaper advertising accounts for the largest share of expenditures and is considered, in general, the most effective form of publicity. This does not mean, however, that any one journal carries a large amount of advertising. There are about 45 dailies in Belgium, but because of the language barrier and political and economic regionalism, only two or three papers in each language approach national readership. Consequently advertisers, to obtain even partial coverage, must use at least one leading daily in both French and Flemish and for more thorough penetration (particularly in the smaller centres outside Brussels and Antwerp) must resort to a number of papers with relatively small total circulations but with high readership in their particular areas. The advertising cost per reader can rise rapidly with such duplication and it is probably this fact rather than the amount of advertising carried in any one paper that accounts for the large expenditures. As a general rule, national advertisers use the half-dozen national papers for institutional or prestige advertising and the smaller regional papers for "where-to-buy-it" advertisements.

Even the larger dailies contain relatively few pages compared with most Canadian papers, with the result that advertising space is limited and often subject to restrictions imposed by the publishers on page locations and format. Technically, there is little limitation on the type of work that the larger papers can reproduce; two-colour facilities are available in most, although not yet widely used. With many small papers, there is a lack of standardization of page sizes and line count that makes it virtually impossible to quote average space rates. The sectional nature of the Belgian press can, however, be an advantage in approaching special-interest groups such as farmers, while regular trade supplements (e.g., autos and aviation) in some

ESTIMATED ADVERTISING EXPENDITURES IN BELGIUM, 1959

Media	Total	Total	Total in Canada
	(millions of B.frs.)	(per cent)	
Press (total)	1,650	51.6	42.4
(a) newspapers	(1,100)	(34.4)	(33.1)
(b) magazines	(550)	(17.2)	(9.3)
Outdoor and transportation	150	4.7	3.8
Cinema	200	6.2	
Radio	50	1.6	12.5
Television			13.2
Direct	600	18.8	18.7
Exhibitions, fairs, etc.	200	6.2	
Display and point of sale	200	6.2	
Miscellaneous	150	4.7	9.4
Total	**3,200**	**100.0**	**100.0**

Source: International Advertising Association Report dated August 1960.

papers provide another approach to specialized markets.

Periodicals

Periodicals claim 17 per cent of advertising expenditures and are particularly important for advertising consumer goods. It is estimated that Belgium has about 500 weekly papers, 140 general-interest magazines (including women's magazines) and over 800 trade and special-interest publications covering a wide range of topics from art to zoology. Included among the more important periodicals are the weekend sections published by the larger dailies, which are mostly black and white. In fact, Belgium has few glossy full-colour magazines, partly because of a situation well known in Canada, since large-circulation French magazines are imported and have a wide readership here. Several of these publish Belgian editions which are little different from the originals except for some Belgian advertising content.

Direct Mail

Following the press, direct mail is the most widely used medium in Belgium and, lacking commercial radio or television, it is particularly important as an alternative means of carrying an advertiser's message directly into the home. Several agencies specialize in this type of work; good mailing lists are available for selective campaigns using the efficient Belgian postal service, and a well-organized private delivery service makes it possible to reach every home in the country or in any selected area. Given these excellent facilities and Belgium's small size and dense population, it is possible to conduct a national advertising campaign by direct distribution and most of the large retailers, for example, use this medium rather than newspapers to advertise their current "specials". In general, the material is attractively prepared, often in full colour, and it is reported that direct distribution, although not cheap, often gives the best results, relative to costs, of any form of advertising.

Outdoor and Transportation

Outdoor and transportation advertising in Belgium is not considered particularly effective except for certain types of products (such as cigarettes, beverages and automobiles) and then only when used in conjunction with other media. Recent legislation has drastically reduced the number of poster sites and all billposting in public locations, such as post offices and railway stations, is in the hands of a small group of government-licensed firms. Neon, lighted plastic and moving electric signs are all used, particularly for brand-name advertising.

Radio, Television and Cinema

At present Belgium has no commercial radio or television but some Belgian advertisers use the facilities of Radio Luxembourg and Europe n° 1 which have a large listening public, especially in the French-speaking part of the country. Considerable pressure for commercial television, or at least for commercial spots, is building up and this may become a reality in the future. Much cinema advertising is done in the 1,400 Belgian movie houses, which have a total annual attendance of over 130 million. Generally four or five advertising shorts and several slides are shown between features and several Belgian firms produce first-class films of this type.

Point of Sale

The use of point-of-sale advertising is increasing with the introduction of self-service stores. The department stores, chains and supermarkets, of course, are more conscious of this medium than the many small specialized shops and are featuring more and more product promotions, store demonstrations and premium sales, with the support of the manufacturers. The Belgian consumer is generally a careful comparative shopper and, lacking radio and television to convey their messages, Belgian ma facturers and retail outlets are w aware of the importance of e catching packaging, good wind displays, and other point-of-s attractions.

Trade Fairs

In a country where the wee market is an ancient tradition, tra fairs as gathering-places for sell and buyers are very popular. large number of both general a vertical trade shows are held ea year throughout the country, cluding large ones like the Bruss and Ghent International Tra Fairs, the Charleroi Industrial a Technical Exhibition, and a Ho and Food Fair in Brussels. recent development has been t opening in a modern, central located building in Brussels of exhibition centre which already h a full schedule of one- or two-we trade shows covering such fields building materials, refrigeration a air-conditioning equipment, ele tronics, ladies' ready-to-wear clot ing, and office machines. (T Commercial Division of the Can dian Embassy in Brussels can su ply a list of these general a special trade shows to interest Canadian firms.)

The Exporter's Choice

What do these comments mea to Canadian exporters seeking develop markets in Belgium? Can dian sales to this country fall in two clearly defined groups: a lar volume of industrial materials, cluding primary iron, aluminu copper, nickel, asbestos, wood pul and wheat; and a much small group of consumer products suc as canned fruits and vegetable whisky, canned fish, cheese, book pharmaceuticals, and toys. Ob viously, widely different types advertising must be used to pr mote sales in these two produ groups. For the Canadian ra material producer, probably th most effective advertising mediu is the appropriate trade journal the use of selected mailing lists convey information direct to potential industrial customers. There is also scope for institutional advertising in the leading dailies and general-interest periodicals—advertising which emphasizes the advantages of Canadian industrial materials, with tie-ins featuring Belgian products made from these commodities.

For the Canadian exporter of consumer products, the problem is more complex. To arrange good representation and distribution in Belgium is, of course, the first and most important step. In doing so, a Canadian company should be prepared to offer advertising assistance, bearing in mind that it would probably not expect to set up a new distributorship in Canada without such support. After this, a competent advertising agency should be selected in co-operation with the local representative and the three parties should then work out the nature and extent of an advertising program, bearing in mind that results may not be immediate in this competitive, somewhat conservative market. ●

The Librarian Suggests

In December the Department of Trade and Commerce library prepared a selective list of publications of general interest to exporters and of particular value to those inexperienced in this field. This issue of *oreign Trade* lists some of these publications covering the Commonwealth, Latin America, the West Indies, and the United States. *Foreign Trade* cannot undertake, however, to provide or to order copies of any of the publications.

Publications on Export Trade

The Commonwealth

ooks and Surveys

DAIRY PRODUCE. Annual. Butter, cheese, condensed milk, milk powder, casein, eggs, egg products.

FRUIT. Annual. Fresh, canned and dried fruit; fruit juices; wine.

GRAIN CROPS. Annual. Wheat, wheat flour, maize, barley, oats, rye and rice.

INDUSTRIAL FIBRES. Annual. Wool, cotton, silk, flax, jute, sisal, mohair, coir, kapok.

PLANTATION CROPS. Annual. Sugar, tea, coffee, cocoa, spices, tobacco, and rubber.

All of these surveys, produced by the Commonwealth Economic Committee, review Commonwealth production and consumption of, trade in, and prices of commodities in the various fields. Price: $0.75 each. Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ontario.

THE COMMONWEALTH YEARBOOK. Annual. A survey and a directory. Price: $20.00. Order from: Europa Publications, 56 Bloomsbury Street, London, W.C. 1, England.

THE EMPIRE AND COMMONWEALTH YEARBOOK. Annual. A general survey of each country, with a list of main imports and exports. One-third of the volume deals with production of and trade in raw materials and other commodities. Price: $7.50. Order from: Newman Neame Limited, 50 Fitzroy Street, London, W. 1, England.

Statistical Reports

THE COMMONWEALTH AND STERLING AREA. Annual. A statistical abstract. Statistics on trade, prices, population and balance of payments, issued by the United Kingdom Board of Trade. Price: $1.00. Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ontario.

Periodicals

CHAMBER OF COMMERCE JOURNAL. Monthly. Notes on trade in the United Kingdom and abroad. Price: $2.00 a year. Order from: London Chamber of Commerce, 69 Cannon Street, London, E.C. 4, England.

COMMONWEALTH SURVEY. Fortnightly. A record of United Kingdom and Commonwealth economic and political affairs, prepared by the Reference Division of the United Kingdom Central Office of Information in London. Price: $6.00 a year. Order from: United Kingdom Information Service, 119 Adelaide Street West, Toronto, Ontario.

THE ECONOMIST: Weekly. A leading publication on economic and political affairs. Price: $15.00 a year. Airmail edition, $25.00 a year. Order from: Wm. Dawson Subscription Service, 587 Mount Pleasant Road, Toronto 7, Ontario.

THE FINANCIAL TIMES. Daily. This British publication is an excellent source of current information on industry, commerce and public affairs. Price: $20.00 a year, airmail edition $115.00 a year. Order from: Financial Times, 550A Church Street, Toronto, Ontario.

NEW COMMONWEALTH. Monthly. Articles on various aspects of industrial, political and trade affairs in the Commonwealth, with particular emphasis on Africa and Asia. Price: $6.00 a year. Order from: Tothill Press Limited, 33 Tothill Street, London, S.W. 1, England.

Latin America and The West Indies

Books

LATIN AMERICA MARKET GUIDE. Annual. Three volumes. Articles on trade procedure and practice, basic market and trade data for each country, directory of firms, including a Dun and Bradstreet rating. Vol. 1 CARIBBEAN. Vol. 2 SOUTH AMERICA. Vol. 3 MEXICO AND CENTRAL AMERICA. Price: $125.00 for three volumes, $100.00 for two, $75.00 for one. Order from: Dun and Bradstreet Inc., 99 Church Street, New York 8, New York.

LIBERALIZATION OF INTER-LATIN AMERICAN TRADE. R. F. Mikesell. Economic Research Series, Department of Economic and Social Affairs, Pan American Union. Washington, 1957. 94 pages. Price: $0.50. Order from: Pan American Union, 17th Street and Constitution Avenue, Washington 6, D.C.

A SHORT INTRODUCTION TO THE ECONOMY OF LATIN AMERICA. F. Benham and H. A. Holley. An up-to-date factual study of the area. Oxford University Press. London, 1960. 169 pages. Price: $2.52. Order from: Oxford University Press, 480 University Avenue, Toronto 2, Ontario.

SOUTH AMERICAN HANDBOOK. Annu Guide containing useful economic informatio Price: $3.00. Order from: The H. W. Wils Company, 950-972 University Avenue, Ne York, New York.

WEST INDIES AND CARIBBEAN YEA BOOK. Annual. An excellent guide to marke and trade in the area. Price: $11.00. Order fron Thomas Skinner & Company (Publisher Limited, 18 Rideau Street, Ottawa, Ontario.

Periodicals

UN ECONOMIC BULLETIN FOR LATI AMERICA. Semi-annual. Source of current i formation on economic conditions in the are Price: $1.60. Order from: The Queen's Printe Ottawa, Ontario.

UN ECONOMIC SURVEY OF LATI AMERICA. Annual. A comprehensive surve of regional and internal economic developmen in Latin America, including trade and balan of payments. Price: $3.00. Order from: Th Queen's Printer, Ottawa, Ontario.

United States

Statistical Reports

BUSINESS STATISTICS, 1959. Biennial editio A basic reference volume providing a round-u of the statistics reported in the monthly issue of the *Survey of Current Business*. Price: $2.2 Order from: Superintendent of Documents, U. Government Printing Office, Washington 25, D.

Periodicals

BUSINESS WEEK. Weekly. A leading America news publication for commerce and industr Price: $6.00. Order from: McGraw-Hill Pu lishing Co. Inc., P.O. Box 183, Station B, Mon real, Quebec.

JOURNAL OF COMMERCE. Daily exce Saturday and Sunday. An excellent source current news on commerce, commodities an manufacturing, as well as of general busine news. Price: $30.00 a year. Order from: Journ of Commerce, 80 Varick Street, New York 1 New York.

SURVEY OF CURRENT BUSINESS. Monthl The major reporting publication for business st tistics. Includes articles on foreign trade, balanc of payments from time to time. U.S. Departme of Commerce. Price: $4.00 a year. Order from Superintendent of Documents, U.S. Governme Printing Office, Washington 25, D.C.

Canada Sells Steel to Britain

he market in the U.K. for iron ore and specialty steel is steadily owing—and so are Canada's sales there; there can also be profitle business in other steel products for on-the-spot suppliers.

G. HARRIS, *Assistant Commercial Secretary, London.*

HE year 1960 was a record-eaking one for the steel industry: cord production, record exports d—most important to Canadians record imports.

British crude steel production t year hit 24.2 million long tons, per cent up from the 1959 total. rthermore, present expansion ograms throughout the industry osting £130 million in 1960 and estimated £150 million this ar) will take capacity past the -million-ton mark by 1962 and 34 million tons by 1965. Steel now the most rapidly expanding ajor industry in Britain.

In the decade that followed the ar, the United Kingdom steel inustry was re-organized and rehalitated. In spite of the tremendous heavals, it recovered with surising vigour from the ravages of ar and the prewar depression. The 39 production figure of 13.2 miln long tons was not equalled again until 1948. But after that it rose slowly to 20 million tons in 1955-56, remaining there until 1960, when expansion programs began to have their effect.

How has this expansion affected United Kingdom trade in steel and steel products? In spite of this enormous new production, unequal growth in some sectors and the unusually buoyant market have led to shortages and to increased imports.

During the first half of 1960, the booming automobile and consumer goods industries put heavy pressure on sheet and strip producers. Shortages here led to large imports from overseas, including Canada, (see table). The coming into production of new mills created a shortage of ingot, and two Canadian companies did a tidy business. This situation has since rectified itself but at year-end, demand for carbon steel bars and re-roll stock was brisk and it is still being met by imports.

Large quantities of structural shapes are being imported from the Continent to supply the booming construction industry, despite the opening of a mill to make them.

Canada's Share

How has Canada fared in this market? Last year Canadian firms shipped large quantities of many products never before exported to the United Kingdom. In addition to sheet and strip, bars and ingots, exports of ferro-alloys rose and iron ore was shipped in record tonnages.

What of the future? Prospects for the first half of 1961 appear bright. The burgeoning British economy will continue to absorb most of the domestic production and imports will still be needed to fill requirements for special products. Much will depend on this year's sales of automobiles and consumer goods and the effect of the April Budget. Although early indications are uncertain and most economists predict a levelling-off, the automobile industry has proceeded to expand its facilities. If its market predictions prove correct, demand should pick up considerably.

It is unlikely, however, that Canada's record 1960 sales will be repeated. They were mainly spot sales, made when demand was greatest and prices high. But aside from volatile products such as bar, sheet and ingot, there is a steady, growing demand for iron ore and specialty steel and Canada's modest sales have been increasing over the years. In addition, there does appear to be continuing business in certain other types of steel for the more aggressive Canadian firms who have representatives on the spot. Last year's success may never happen again, but it showed that an active, on-the-spot organization can take advantage of the market situation and obtain some profitable business. ●

CANADIAN STEEL PRODUCTS EXPORTS TO THE U.K.

	1959		1960	
	Short tons	**Can. $**	**Short tons**	**Can. $**
Iron ore	3,160,909	22,427,925	3,763,109	27,701,660
Ferro-silicon	21,622	2,424,335	37,686	3,837,920
Pig iron			224	9,000
Billets, blooms, ingots	6	4,578	223,703	17,642,776
Scrap iron			5,238	162,013
Steel bars, hot rolled	828	1,488,548	1,547	1,307,284
Steel bars, cold rolled			545	1,191,704
Wire rods	1,404	121,707	27,731	3,057,276
Plate	192	234,874	5,966	613,167
Sheet and strip, hot rolled			24,698	2,648,642
Sheet and strip, n.o.p., including tinplate and galvanized			20,461	3,360,451
Pipes and tubes of iron or steel, n.o.p.			551	155,813

FAIRS AND EXHIBITIONS

Instruments at Los Angeles

VISITORS to the 16th annual fall Instrument-Automation Conference and Exhibit of the Instrument Society of America, September 11-15, 1961, will see for the first time an attractive exhibit entered by the Canadian Government. Canada is participating partly because the Canadian industry is growing, partly because the site of this year's show—Los Angeles—is the centre of a large U.S. market—a market that takes in the large electronics and aircraft industries of the West Coast. The latest developments in industrial, military and space instrumentation, including data handling, computation and control systems, are shown at this fair and over 20,000 instrument users and buyers usually attend.

About 15 Canadian firms have already arranged with the Government to show their products in the 2,246 square feet of space that Canada has reserved. These include a laboratory cooler, an automatic tri-film processor, an ice-detection system, recording camera, portable magnetometer, automatic circuit and cable tester, an audio-frequency magnetic director, cadmium sulphide photoconductive cells, a homing indicator and other airborne navigation equipment, a photographic reconnaissance system, nucleonic equipment, control panels and printed circuit boards, automatic control and data equipment for the petroleum industry, telephone carrier terminals, voice-multiplex equipment, auditory training equipment, pressure control switches, and precision bearings. The Department of Defence Production and the Industrial Development Branch of the Department of Trade and Commerce are also preparing display panels to advertise their work.

Canadian firms participating will send representatives to man their booths; the Department of Trade and Commerce will ship their products to Los Angeles. The hope is that the fair will develop more trade in this important U.S. market, will encourage greater application of the United States-Canada production-sharing plan, and, in general, promote industrial development.

Foods at Cologne

THE Provisions and Fine Foods Exhibition (ANUGA) at Cologne, West Germany, will be held from September 23 to October 1 this year. It is a biennial show and the Canadian Department of Trade and Commerce is entering an exhibit for the second time. The exhibition covers all facets of the food industry, including packaging and packaging equipment, food advertising, etc. Canada will display fish, fruit and fruit juices, grains and grain products, meat products, poultry, vegetables, whisky, and other products. The Depa
ment has reserved 157 square metres centrally
ranged around a cooking demonstration; a male ch
and two assistants will demonstrate the preparation
Canadian foods. A representative of the Departme
of Agriculture will man a special display of froz
poultry and poultry products and fresh apples will
exhibited hanging from a simulated tree. In additio
a special sampling room will be open to members
the food industry.

ANUGA is the largest international food fair
Europe; the last one attracted buyers from 63 countri
and 300,000 visitors, 10 per cent of whom were fro
other European and overseas countries. For the fi
three days admittance at the fair was restricted to me
bers of the trade. Some 2,000 firms and organizatio
participated and 40 foreign countries were represente
28 had national stands.

Engineering Exhibit, London

THE Canadian Government exhibited this year for t
first time in the Engineering, Marine, Welding a
Atomic Energy Exhibition, held from April 20 to M
4 in London. Canadian firms that participated spe
enthusiastically of their success there. The Canadi
exhibit was so well designed and the displays so attra
tive that they were said to have drawn more visito
than any others at the 500-exhibit show. Where po
sible, the Canadian products were shown in operatio
some turning out souvenirs, others making actual wo
pieces from production shops.

Surprise and satisfaction were the chief reactions
Canadian exhibitors to the amount of business th
uncovered. A participator at United States exhibitio
of the same sort said the United Kingdom show prov
more successful than the others in terms of busine
influenced, even though he was used to good sales
the U.S. One Canadian firm had on hand a stock
12 models to cover sales expected at the London sho
a hurried cable put the Canadian plant into overtim
for two months and raised the order to 50 models f
both May and June. Over half the exhibitors stayed
in Britain for several weeks to follow up inquiries a
to make installations; some went on to Europe
clinch sales. Some made new agency arrangements. Th
vice-president of one Canadian firm flew to Britain
take stock of the situation himself, so great was th
interest in his firm's product. Another firm flew one
its engineers to London, bought him new instrument
and set him up in a hotel room to adapt equipment
British standards before the eyes of the British buye

me visitors wanted to buy the display models. Long- m business prospects looked good for many com- nies and many outright sales were concluded on the ot.

The Canadian exhibit was organized by the Depart- ent of Trade and Commerce and designed by the nadian Government Exhibition Commission. An icer of the Department was on hand throughout the ow. He reported interviews with visitors from the itish Isles, Continental Europe, Africa, Asia, South nerica, the United States, and several Communist oc countries.

rs at Paris, Frankfurt

TTENDANCE at both of Europe's large fur fairs aris and Frankfurt) was up this year compared with st and Canada exhibited at both. At the Paris Fur lon (April 12-17) the Canadian Government took out 84 square meters of display area near the main trance; the exhibit was modern and clean-cut and ll suited to the display of furs and the accommoda- on of visitors. There were 72 other exhibitors in the ow, including processors, manufacturers and whole- lers, plus government exhibits from South Africa and e U.S.S.R.

Canada displayed raw and dressed fur pelts, includ- g special ranch mink from the Canada Mink Breeders, selection of fox skins supplied by the Canadian ational Silver Fox Breeders Association, and four r garments. All the different shades of Canada Mink ere shown and attracted much attention. It provided excellent opportunity to introduce the new label, anada Mink Majestic", shown for the first time in urope. About 600 people visited the display. Some id that they were going to Canada for the first time attend approaching fur sales and 71 asked for the mes of fur brokers. There were 78 visitors from coun- es outside France including Belgium, the United ingdom, Switzerland, Spain, Italy, the United States, d West Germany.

The Frankfurt Fur Fair followed a few days later pril 20-28) and Canada's was the only national ex- bit. The number and variety of our wild and ranch rs were unique. The stand was well designed and the rs effectively displayed. Apart from the mink and x, beaver, muskrat, marten, seal, lynx, and other ins, a beaver coat and a white fox cape were on splay; two mink garments were displayed on mani- ns and two on live models.

About 217 exhibitors took part in the Frankfurt air, 30 of them from abroad; officials estimated tendance at 13,000. About 241 visitors had inter- ews at the Canadian exhibit. Of these, 149 were with sitors from West Germany, others with visitors from witzerland, Belgium, Italy, the United Kingdom, the Netherlands, Norway, France, the United States, Denmark, Sweden, Austria, Spain, and Finland (in order of numbers interviewed).

At both fairs, officials of the Canada Department of Agriculture and the Department of Trade and Commerce were on hand as well as officers of the Trade Commissioner Service.

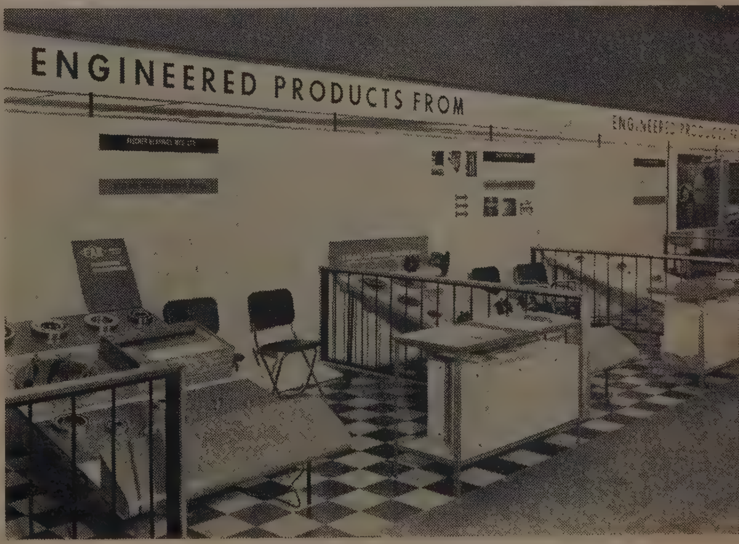
Engineered Products at Detroit

SEVENTEEN firms participated in the Canadian Government exhibit at the Design Engineering Show, held May 22-25 at Detroit's Cobo Hall. All 17 reported promising business prospects as a result and approximately 450 inquiries were received. Although visitors were fewer than at New York a year ago, they came from nearly every state in the United States and from Canada. Eleven of the 17 Canadian participants had never exhibited with the Department of Trade and Commerce (organizers of the Canadian entry) before and they were surprised at how participation brightened their export sales prospects. Sometimes inquiries came in for products not on display. Some new agency arrangements will probably result.

The Canadian exhibit was right in front of one of the main entrances and the design drew many compliments. The illuminated fascia above the exhibit, with the lettering "Engineered Products from Canada", was so clearly visible from all sides that directions were often given using the Canadian exhibit as a reference point.

Each of the exhibiting firms sent representatives and officers of the Commodities and Industrial Development Branches at Ottawa and of the Canadian Consulate at Detroit were on hand throughout the show.

Canada exhibits for the first time at Detroit's new Cobo Hall, displaying special products at the Design Engineering Show.



Portugal Progresses with Second Plan

Portuguese are now embarked on third year of their Six Year Plan; some projects are nearing completion and others are still in blueprint stage. This review of the Plan objectives, sector by sector, may suggest trading opportunities to Canadian firms.

T. J. MONTY, *Commercial Counsellor, Lisbon.*

Workmen push ahead on construction of the south wing of this new steelmaking industry near Lisbon. It forms part of a steel mill, the largest project under the Plan, that will turn out over 200,000 tons a year of pig iron and profiles.

PLANNED economic development began in Portugal with the First Plan, which ran from 1953 to 1958. Following this came the Second Plan, an extension and expansion of the First, to cover the years from 1959 to 1964. In scope and in funds to be invested the Second Plan about doubles the First. Some 11,500 million escudos ($400 million) was allocated for continental Portugal in the First Plan and 30,000 million escudos ($1,000 million) for the Second. The corresponding figures for the Overseas Provinces are 5,000 million escudos ($170 million) for the First Plan and 9,000 million escudos ($300 million) for the Second.

The principal objectives of the Second Plan are to increase the national wealth, to ensure a higher rate of employment, and to improve the standard of living. This entails establishing more secondary industries and reorganizing existing ones, improving agricultural output, and expanding transportation facilities.

The aim is to get the country to invest up to $2,000 million in productive activities during the Second Plan, of which about half is to be spent in continental Portugal under the direction and with the assistance of the State, and about $300 million on projects in the Overseas Provinces. The hope is to raise the national income in the six years covered by the Plan by 27 per cent—or from 54 billion escudos in 1959 to 66 billion 1964.

To help finance the various pr ects under the plan, the Nation Development Bank (Banco Fomento Nacional) was set up August 1959 and began its oper tions in January 1960. One of i main functions is to grant mediu to long-term credit to assist inves ment in industry, particularly bas and manufacturing industries, ele tric power development, and tran port. During the first ten mont of 1960 the Bank authorized a vances of 750 million escud (about $25 million). It also unde wrote securities of up to 300 millio escudos (about $10 million) issue by companies covered by the D velopment Plan.

A recent study discloses that f the first three quarters of 196 financing under the Plan totalle some $77 million, of which som 60 per cent came from public an 40 per cent from private sources.

The Plan is broken down int five main sections: agriculture, in dustry, electricity, transport, an communications, and research an technical instruction. The followin paragraphs list some of the chie projects under each section.

Agriculture and Fisheries

The chief objective of this secto is to make the country self-sufficien in food. The main emphasis, apar from soil conservation schemes, i o the extension of irrigation projets. During the six years, some $36 illion is to be spent on irrigating reclaimed land and making it suitale for cultivation. Other projects include reforestation, control of dease, research on infestation of cops and on crop storage, and the making of roads in rural districts.

Fish forms an important part of te food supply in Portugal. The fihing fleet, both coastal and deep-sa (especially the cod-fishing fleet) is to be renovated, both with an ee to creating employment and to aiding the local shipbuilding industr. Fish resources are also to be ued more fully.

Idustry

Among the more important indstrial development projects in the Pan are the following:

- *Steel Industry*—This is the larget and most important project. A seel plant, Siderurgia Nacional SA.R.L., is to be set up near Lisbn, with an investment of about $00 million. It will produce pig ion and profiles and have an initial otput of 200,000 tons a year, to b raised later to 300,000. It will eploy 2,000 people and is expcted to be in operation late this yar or early in 1962. The second pase of this project includes a Krupp Ren installation in the north t use its poorer ores. This project, t cost about $10.2 million, is still uder study.

Mining—The mining industry, hich has been in the doldrums, is be reorganized and further prospcting carried on both in Portugal self and in the Overseas Provinces. ranium (metallic) is among the ineral resources slated to be exoited. Iron ore, manganese, anracite, copper and gold deposits ill also be investigated further. bout $3.4 million is to be spent on is program.

Petroleum—The capacity of reneries already established is to be xpanded from 1,200 to 1,500 tons, and distribution and storage facilities will be increased. The industry recently received a loan from a group of banks headed by the Belgian Kredietbank.

- *Petrochemicals*—At Olivais, a suburb of Lisbon, a plant is being put up to produce ammonia and gas from oil byproducts for distribution in Lisbon. Construction is expected to be completed this year, at a cost of $13 to $15 million.

- *Fertilizers*—The hope is to increase consumption of fertilizers during the Plan from 15.4 to 26.1 kilos per hectare and to boost output from 52,000 to 90,000 tons. Apart from the production of ammonia mentioned above (for use in sulphate of ammonia), Nitratos de Portugal plans to produce nitric acid and nitrates. Construction of a plant at Alverca is well advanced and operations are expected to begin shortly. The cost is estimated at $13 million. União Fabril is studying a new plant to produce nitric acid, nitrate and urea. Amoniaco Portugues is already operating a factory and a new program is under study.

- *Pulp and Paper*—Production of paper is being fostered, in the expectation that the new enterprises will boost output from 25,000 to 115,000 tons. Sociedade Industrial de Celulose is establishing a plant to turn out eucalyptus wood pulp at Setubal; it will cost $12 million and should be in production next year. Caima Pulp is building a similar factory at Constança, also for using eucalyptus, at a cost of $3.5 million.

- *Motor Vehicles*—Three companies have been authorized to make motor vehicles—one to turn out both light and heavy models and one the heavy only. Their plans, however, are still taking shape, with assemblage of motor vehicles in the offing. Manufacture involves certain serious problems but it is hoped that these will be overcome.

- *Lisbon Shipyard and Bridge*—These two projects are still under study. The first calls for a shipyard and drydock to be set up in the Tagus Basin and estuary for the repair and modernizing of ships. The estimated cost is some $20 million and foreign technical assistance and capital will be needed.

The building of a bridge to cross the Tagus River at Lisbon has been decided upon and the plans approved. Preliminary contracts have been awarded to United States Steel. The project is expected to cost over $50 million and its completion depends on the obtaining of outside financial aid.

The Government is also encouraging in various ways private industrial development outside the scope of the Plan. The types of industry favoured are naturally those which offer employment, produce competitive goods for export, use Portuguese raw materials, and benefit districts in need of development. A large number of industries started on private initiative have been fostered and aided by the State. They cover a wide range, including metal rolling mills and plants to turn out tires, electrical material, machinery, television and radio sets, etc.

Since Portugal joined the European Free Trade Association, the question of industrial reorganization has become more pressing. This reorganization—which covers reduction of production costs, increase in productivity, and concentration of productive resources—is encouraged by the Government through counsel, technical assistance, and provision of investment facilities. The principal industries concerned are textiles, metal and metallurgical, glass, sugar, fisheries, cork, etc.

Electricity

The electrification program is concentrated on developing hydroelectric potential and the building of powerhouses and dams. It envisages a rise in total power in public service from 290 MVA (megavolt ampere) in 1945 to 1,700 MVA in

1964. Annual expenditure on new construction totals $15 to $17 million and on power lines from $3 to $3.5 million. The Plan also makes provision for subsidies to municipalities for electrification work.

Transport and Communications

Most important projects under this head include improvements in railways, shipping facilities, port and airport services. A large free zone in the port of Lisbon is planned. Port and airport improvement alone will cost some $45 million, and expansion of the merchant fleet some $55 million.

Research and Instruction

Research will be undertaken in the fields of agriculture, livestock, forestry and mining, and certain centres for technical study and research will be endowed and new schools built. This sector of the Plan calls for spending about $13 million.

Overseas Provinces

The Second Plan covers the Overseas Provinces as well as Portugal itself, with a planned expenditure in the six years of some $300 million. Industrial development in both Angola and Mozambique is to be accelerated, including hydroelectric development, and the ceramics, rubber, sugar, soap, tobacco and textile industries. There will also be studies and projects covering exploitation of natural resources, expansion of population, improvement of transport and communications, education and health, and so on. Considerable progress has already been made in improving railways, roads, ports and airports in the provinces.

For More Information

Any Canadian firm interested in obtaining further details about any aspect of this ambitious Six Year Plan, both in Portugal and in the provinces, should write to the Office of the Commercial Counsellor, Canadian Embassy, Lisbon. ●

Opened in 1960 at Noguères, this plant of the Compagnie Péchiney taps the extensive bauxite deposits found along the French Mediterranean coast; annual capacity is expected to reach 90,000 tons of primary aluminum by the end of this year.

French Aluminum Production Soars

France is an important producer but also a big consumer of aluminum; her rising import needs make her a logical market for Canadian suppliers of aluminum ingots.

C. T. CHARLAND, *Assistant Commercial Secretary, Paris.*

BOOMING production in the French aluminum industry is rapidly making France a major contender in the world market and a particularly strong competitor in the Common Market countries. France's buoyant economy, plus the steadily rising demand for aluminum in Europe, have led to an expansion in her primary aluminum industry. Since 1958 industrial activity in the aluminum industry has outstripped activity in French industry as a whole (see Table I). Europe's largest producer of aluminum, France last year increased output by 36 per cent; produced 235,000 tons* of primary aluminum compared with 173,000 in 1959 and 61,000 in 1950 (see Table II).

Almost 80 per cent of last year's total production of primary aluminum came from the plants of the npagnie Péchiney, whose output eased by 43,000 tons in 1960. s increase resulted from the ning of its new plant at ueres in the south of France re annual capacity is already 000 tons and will reach 90,000 he end of this year. Ugine, the r French producer, saw its out- increase from 28,466 tons in 9 to 47,900 in 1960, largely ause of the opening of a new 000-ton-capacity addition to its nemezan factory. (Table III out the total production of n these French producers.)

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*The ton used throughout this report is the metric ton of 2,204.6 pounds.

he high cost and limited avail- ity of power in France has ed aluminum manufacturers to centrate on reducing the number ilowatt hours needed to produce Although 20,000 kilowatt hours e used to make a ton of alu- ium only a few years ago, French ineers have succeeded in erecting lant at Nogueres where con- ption per ton of aluminum is orted to be only 14,500 kilo- t hours and may be as low as 000. The short time required for cessing the alumina is also im- sive: the metal is delivered to smelting plant only 4.5 hours r the arrival of the alumina at reduction shed. This compares 8 hours per ton at the pany works at St. Jean-de- urienne in the Alps, Europe's est aluminum plant with an annual capacity of 66,000 tons. The alumina used at Nogueres is brought in from Péchiney's chemical works at St. Auban, which in turn is supplied with bauxite taken mostly from the Var, Hérault and Bouches-du-Rhône deposits. By agreement with Electricité de France, the electric power the plant consumes comes from the Artix power station which uses Lacq natural gas.

Power from Gas

The industry has also sought new sources of power and was quick to take advantage of the natural gas discovery at Lacq in southwestern France. Power generated from Lacq gas has made it possible to expand France's domestic aluminum production capacity by nearly 50 per cent. Both Péchiney's plant at Nogueres and Ugine's at Lannemezan are based on Lacq power.

Bauxite is one of the few non-ferrous metals available in large quantities in France. Deposits are located a short distance from the Mediterranean Coast and 84 per cent are in the Var Département. Bauxite extraction in 1960 reached a new record of 2.04 million tons, 17 per cent more than the 1.7 million extracted the previous year.

All French aluminum is sold through a single agency, l'Aluminium Français, which engages not only in sales but also promotes the use of aluminum through research and technical services. It operates well-equipped research and testing laboratories at Chambery and a technical center in Paris where it carries out experiments on new practical applications.

Consumption in France

Domestic consumption of primary aluminum hit a new record of 210,000 tons in 1960, compared with 31,500 in 1938 and 79,000 in 1948. The 4.12 kilograms per capita consumption in France ranks among the highest in Europe, after the United Kingdom (6.5) and Germany (4.9) and not far behind Canada (5.2). Of the total production in recent years, 35 per cent has been used in cars, trucks and other transportation equipment; 12 per cent in electrical equipment; 12 per cent in packaging; 10 per cent in household and office equipment; 10 per cent in machinery and mechanical equipment; 7 per cent in building and construction; 4 per

TABLE I

ces of Production for some Key French Industries
djusted according to number of working days)

952 average=100	1938	1958	1959	1960
	83	105	104	102
ricity	48	152	158	177
ore	81	146	150	164
le steel	57	134	140	159
ninum primary	43	159	163	222
mobiles	53	206	225	245
ent	41	155	162	164
huric acid	107	150	153	167
nonia	56	200	224	245
on yarn	97	120	110	122
l yarn	107	122	124	129
r and cardboard	95	177	189	212
.E.E. over-all index of dustrial production xcluding building)	73	152	158	175

TABLE II

French Aluminum

Year	Production ('000 of tons)
1900	1
1910	9
1920	13
1930	26
1940	62
1950	61
1952	106
1954	120
1955	129
1956	150
1957	160
1958	169
1959	173
1960	235

TABLE III

Production Capacity of French Aluminum Plants

Plant and Location	Capacity Dec. 31/60 (in tons)
SOCIETE PECHINEY	
In the Pyrénées:	
Auzat (Ariège)	18,100
Sabart (Ariège)	18,300
Noguères (Basses-Pyrénées)	60,000
In the Alps:	
Chedde (Haut-Savoie)	6,000
La Praz (Savoie)	3,400
La Saussaz (Savoie)	10,200
Saint-Jean (Savoie)	66,600
Riouperous (Isère)	11,700
L'Argentière (Hautes-Alpes)	16,700
Total	**211,000**
SOCIETE UGINE	
In the Alps:	
Venthon (Savoie)	16,000
In the Pyrénées:	
Lannemezan	10,500
Lannemezan, section supplied by Lacq	24,000
Total	50,500
Total Metropolitan France	261,500
Alucam (French share)	40,000
OVER-ALL TOTAL	**301,500**

cent in steelmaking, and the remainder in various other fields.

Aluminum from West Africa

Two important aluminum plants were recently completed in West Africa. The first, Alucam, combines a power plant and a 45,000-ton-per-year reduction plant on the Sanaga River near Edea in the Cameroons. This project was started in 1953 as an exclusive Péchiney-Ugine enterprise, but the owners later sold 9 per cent of the shares to the Syndicat Belge de l'Aluminium. Alucam is now operating at full capacity and production in 1960 hit 44,000 tons; French producers accounted for 39,000.

The second African project, Fria, was started in 1956 to exploit and convert to alumina a large bauxite deposit in Guinea. Péchiney and Ugine instigated the project but shareholders are as follows: Olin Mathieson (American) 48.5 per cent, British Aluminum Company 10 per cent, Aluminum Industrie A.G. (Swiss) 10 per cent, Wereignite Aluminum Wercke (German) 5 per cent, Péchiney 21.2 per cent, and Ugine 5.3 per cent. Although the French companies own only 26.5 per cent of the capital, they have in fact a voting majority and actually manage the company. The first shipment of alumina left Guinea in April 1960, and it is said that the Fria capacity of 480,000 tons of alumina per year can be doubled when demand warrants a production increase.

Other projects that would use the tremendous hydro-electric resources and high-grade bauxite deposits of West Africa are under study. They include:

- A 50,000-ton reduction plant on the Sanaga River in Cameroons, 30 miles upstream from the existing Edea plant.

- A 150,000-ton reduction plant based on the hydro-electric resources of the Konkoure River in Guinea and which would benefit from the Fria alumina production.

- A 250,000-ton reduction plant on the Kouilou River in the French Middle Congo.

- One or more reduction plants at Inga in the former Belgian Congo, with capacity ranging from 80,000 to 500,000 tons, based on the immense hydro-electric potential of the Congo River.

Although the size of these projects exceeds the financial means of the two French aluminum producers, they are nevertheless expected to play a leading role in developing and operating them. Political factors will of course predominate in the timing of these developments and it is difficult to predict when the capital and other necessary elements can be brought together to permit the start of construction and, finally, of deliveries in significant quantities.

Expansion Delayed

Although future expansion in West Africa would probably be economic, both European and North American producers have shown a certain reluctance to commit funds of the magnitude required. The reasons for this uncertainty are obvious: political and financial risks are involved and a large amount of smelter capacity in the Free World is idle. Many feel that it might be more practical to put off further investment at least until the present Free World surplus capacity has been absorbed by increased consumption. The expected growth in consumption in Europe can be met by larger imports from Canada and Norway, principally the latter, where the raw material and power base for more capacity already exists.

In March 1960 the member states of the EEC decided to set the common external tariff on primary aluminum at 10 per cent while giving permission to West Germany and Benelux to establish quotas for their fabricating industries at 5 per cent. The first alignment toward these rates was made on January 1, 1961. In France, the duty was reduced from 20 to 17 cent on imports from countries o side the European Economic Co munity, compared with 14 per c on imports from Common Marl countries. As a result of tra liberalization measures announc by the French authorities on Ma 31, 1961, these duties were further to 16 and 13 per ce respectively.

Two plants operated in Frar by ALCAN Aluminium de Fran an affiliate of Aluminium Limi of Canada, provide a Canadi vested interest here. The first an extrusion plant built on an acre site at Lucé, near Chartr which has been in production sin 1959. It has a staff of 120 and annual capacity of 3,000 tons. T second is a factory which has be in operation since 1937 at Acco in the Pyrénées; it produces al minum powder and aluminum pas called "Alpate".

Imports Higher

France, while maintaining h traditional position as an export of aluminum, in 1959 import 33,000 tons of unalloyed aluminu ingots, including 19,000 tons fro Canada. This compared wi 29,000 tons in 1958 and 9,000 1957. Imports for the first ni months of 1960 stood at 41,0 tons; of these, 19,000 tons we from the franc zone. This trend expected to continue for some yea as France strives to meet domes requirements and export comm ments. Given reasonable terms access, Canada should assert position as a logical source supply and increase its share the French market for aluminu ingots.

Reprint Available

"How the Government Finances Lor Term Exports", an article explaining t new government facilities for long-te financing of exports, published in t March 25, 1961, issue of *Foreign Tra* has been reprinted. If you would li copies, write to the Editor, Departme of Trade and Commerce, Ottawa.

Selling Telecommunications Equipment in Chile

A recent issue of *Foreign Trade* carried an article on Chile's plans for economic development* over the next decade. One of the minor sectors of this program, but a highly significant one for Canadian producers of suitable equipment, covers telecommunications.

M. KNOWLES, *Acting Commercial Secretary, Santiago.*

ERE are at present almost a
cre of organizations in Chile,
blic and private, which maintain
ecommunications networks of one
id or another and which are
ijor purchasers of telecommuni-
ions equipment. To bring some
ler out of this confused situation,
Government of Chile recently
ablished a National Telecom-
nications Commission. The first
sident, Dr. Sotero del Rio, is
b Minister of the Interior in
present government.

The Commission is actually an
visory one, although on a high
el. It is without executive powers
funds to administer. A committee
hin the Corporation de Fomento
la Producción (CORFO) has
en established which is to have
cutive and financial authority
d which will form the nucleus of
ew government corporation con-
lling telecommunications.

n Unifying System

Almost the first act of the Com-
ssion was to ask the Ambassa-
s of Canada, the Federal
public of Germany, France, the
therlands, the United Kingdom,
ly, Japan, Sweden, Switzerland
the United States to recom-
nd to it the names of consulting
ineering firms specializing in
ecommunications yet divorced
m any manufacturing interest. Eventually one firm is to be chosen from among these to design a national telecommunications system for the country. The consultant will prepare studies and plans and supervise construction of a "backbone" network to unite all the existing ones into a composite system. The scheme is to be implemented over a five-year period and the cost is estimated at about U.S.$15 million. The names of several Canadian firms have been put forward.

Local Agent Vital

In addition to the possibility that a Canadian consulting firm may get this assignment, many opportunities have now appeared for the sale of telecommunications equipment. But where Canadian firms have fallen down badly in the past is in their failure to have suitable representation, or any representation at all, in Santiago. It is absolutely necessary, and all potential purchasers of equipment require, that the manufacturer have an agent in Chile. As a manufacturer, you must have someone on all the public and private tender lists who will automatically receive the calls for bids from various sources. Specifications are normally refused, even to the Canadian Embassy. Government agencies will issue calls for tender only to local agents of foreign firms. If you do not have an agent you never receive these calls and never learn of possibilities until it is too late.

The usual reason given for this requirement is that the local agent serves as a channel of communication with the supplier and is a legally responsible entity, subject to Chilean law, from whom recompense may be exacted if the foreign principal fails to live up to a contract.

It is, of course, to the manufacturer's advantage to have someone pursuing his interests locally, even when tenders have closed and bids are being subjected to technical analysis before the actual awarding of contracts. The infighting that takes place at such times can be effectively carried on only by someone actually on the scene. The Trade Commissioner is prepared to recommend qualified and influential agents who are in a position to do the best job. They are not always the oldest established or largest firms; these frequently cannot be bothered to give your business the concentrated attention it merits.

Recent Opportunity Missed

I recently had the opportunity to conduct a thorough investigation into the potential market for telecommunications equipment in Chile. Eighteen potential and regular purchasers of such equipment were presented with a detailed questionnaire on their purchasing methods and present needs for services and equipment. It was subsequently learned that bids closed recently on tenders called last

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See "Chile Launches Ten Year Plan",
eign Trade, March 11, 1961.

August by the Chilean Army for a substantial quantity of telecommunications equipment, including some for use in mobile units. No Canadian firms quoted directly on this tender because none were registered with the Chilean Military Mission in Washington, D.C., which normally handles such bids from all sources. Canadian firms interested in receiving calls for tender from all three arms of the Chilean Armed Forces should therefore send a letter of registration, with fully explanatory brochures, to:

Colonel Otto Barth D.,
Chilean Military Mission,
Chilean Embassy,
2154 Florida Avenue N.W.,
Washington, D.C.

A copy of this letter, accompanied by brochures, should be sent to:

Comandante Jorge Letelier L.,
Jefe de Radio Telecomunicaciones del Ejército,
Ministerio de Defensa, 5° piso,
Plaza Bulnes,
Santiago, Chile.

Brochures and a letter of registration should also be sent to the following officer, who is responsible for the purchase of such equipment for the Chilean Air Force:

General Renato González,
Chilean Air Force,
Pasaje Antonio Varas 1128,
6° piso, Oficina 642,
Santiago, Chile.

Firms interested in selling to the Chilean Navy should send additional brochures and letters to:

Vice-Almirante Hernán Cubillos,
Director-General de Servicio Armada,
Plaza Sotomayor,
Valparaiso, Chile.

ENDESA is a large direct purchaser of equipment of this kind in its own right. Bulletins, brochures, etc., should therefore be sent also to:

Señor Enrique Claude,
Jefe del Departamento de Telecomunicaciones,
Empresa Nacional de Electricidad,
Ramón Nieto 920,
Santiago, Chile.

ENDESA is currently interested in obtaining, among other things, carrier current equipment for transmission over high-tension lines. This includes telephone, teleprinting and telecontrol equipment.

Immediate Sales Opportunities

The Chilean State Post Office and Telegraph Agency is shortly to undertake an expansion and improvement of its telegraph, telephone and radio services. It is interested in hearing (through local agents, of course) from potential suppliers of HF and VHF radio systems and other equipment. Suppliers should send their brochures and letters to:

Señor Armando Ojeda R.,
Sección Radio, Depto. Telégrafos,
Correos y Telégrafos del Estado,
Morandé 147,
Santiago, Chile.

The Chilean State Railways will soon put out a large and important tender call for a wide variety of signalling and telecommunications equipment. In particular, it is interested in complete radio and telephone installations and carrier systems to run from the north to the south of Chile. Sales bulletins and literature should be sent to:

Señor Reinaldo Bech R.,
Sección de Radiocomunicaciones,
Ferrocarriles del Estado,
Casilla 94,
Santiago, Chile.

The Chilean federal police force operates 68 stations throughout the country, as well as mobile equipment. Tenders are soon to be called for the supply of single sideband equipment. Firms should register by letter, requesting consideration for future tenders, with:

Comandante David Montalva,
Dirección General de Carabineros,
Plaza Bulnes 1196,
Santiago, Chile.

The Chilean State Bank considers expansion and modernization of its services essential. There is a demand for consulting engineering services as well as equipment. This organization operates a telecommunications network from Ar on the Peruvian border to Conc ción and Punta Arenas in the sou with a "telex" link to Valparai Current plans include extendi services to Temuco and Anto gasta. Single sidebank equipme will be required and letters of gistration should be sent to:

Gerencia General del Banco del Esta
Atención: "Ingeniero del Banco",
Alameda Bernardo O'Higgins, 1111,
Santiago, Chile.

Consulting engineers' brochu should go to the same address.

Three government entities: EN (Empresa Nacional de Petróle the petroleum corporatio ENDESA (Empresa Nacional Electricidad), the power corpo tion, and CORFO (Corporación Fomento de la Producción), t development corporation, as w as a privately owned iron and ste complex, CAP (Compañia Acero del Pacifico), occasional purchase telephone, telegraph, a radio exchanges and equipment various kinds through the follo ing officer, to whom registratic should be sent by letter accon panied by the usual bulletins, etc

Gerente,
Sociedad de Telecomunicaciones Ltd.,
Casilla 13502,
Santiago, Chile.

Canadian manufacturers of sui able equipment should also ensu that they are registered with t following:

Gerente General,
Telégrafo Comercial,
Monjitas 757-759,
Santiago, Chile.

This firm is a privately owne telegraph company now undergoin reorganization. It operates about 7 offices that serve the area betwee the Aconcagua Valley and Puert Montt.

The National Health Servic which operates a 22-station systen is in need of consulting engineerin services and also wishes to bring i equipment up to date. It has n been successful recently, howeve btaining the necessary funds in national budget. Interested firms uld nevertheless register for ure tender calls with:

Señor José Fernandois,
Jefe de Servicio Radiocomunicación,
Servicio Nacional de Salud,
McIver 541,
Santiago, Chile.

There are other large-scale users telecommunications equipment Chile but they are mainly captive bsidiaries of large manufacturing mpanies; they are not an effective tential market for Canadians.

It should be pointed out that credit facilities are of great interest to most would-be purchasers of this equipment and credit for up to five years is frequently asked on large sales.

If your firm is unrepresented in Santiago and is interested in taking advantage of any of these opportunities, you might well communicate as soon as possible with the Acting Commercial Secretary, Canadian Embassy, Casilla 771, Santiago, Chile, by airmail, including in your letter a full description (with bulletins) of the equipment you manufacture. Arrangements will be made immediately to locate a suitable representative. When you have approved the choice and appointed your agent, you should then dispatch complete brochures and sales material directly to all the addresses given in this report, including in your letter the name and address of your Santiago representative. The latter, in his turn, will call personally on the responsible officers of the various entities in Chile and ensure that he receives all necessary information in time to permit you to participate in all calls for tenders. ●

COMMODITY NOTES

uminum Cable

NEZUELA—Aluminium Limited and a group of nezuelans have formed a company, Cables Nacio-les de Aluminio, to produce transmission cables. ose to a million dollars will be invested in a plant be built at La Victoria near Caracas. When com-pted, it will have an annual capacity of 6,500 tons —Caracas.

emicals

HILIPPINES—A Philippine manufacturer of carbide ll shortly be expanding his operations to include the nufacture of caustic soda, hydrochloric acid and lyvinyl chloride. The carbide plant will supply all acetylene required by the new factory.

This integrated chemical plant will, when com-ted, produce 6,000 tons of unplasticized resin and 000 tons of caustic soda a year, plus all the hydro-loric acid requirements of the polyvinyl chloride nt. Construction of the plant is already under way. anagement states that once the factory is operating full capacity, it will make the Philippines com-tely self-sufficient in three basic chemicals—poly-yl chloride, caustic soda and chlorine—Manila.

trusion Machinery

ELAND—The German international firm of Batten-dt, manufacturers of plastic extrusion machinery, s acquired a site of about seven acres complete with harf at North Wall, Dublin, for a new factory. As start, some £250,000 will be spent on a structure ,000 square feet in size, with possible extension to 0,000 square feet. A landing strip for light aircraft is incorporated in the plan. The new plant will work in conjunction with associated factories in Europe —Dublin.

Gas Pipeline

VENEZUELA—Official Gazette No. 26,536, of April 25, 1961, carried a Resolution issued by the Government under which all state-owned gas pipelines are to be transferred to the Venezuelan Oil Corporation (Corporación Venezolana de Petroleo), the Government's public oil company. The change involves four important pipelines—Caracas.

Nylon Tire Cord

MEXICO—Celanese Mexicana, S.A., a large Mexican company producing synthetic fibres, has begun production of nylon cord for tires. Company officials foresee an annual production of 2,000 metric tons. Tires are manufactured in Mexico by a group of companies, subsidiaries of overseas corporations, including U.S. Rubber Mexicana, S.A., General Popo, S.A., Goodrich Euzkadi, S.A., Goodyear Oxo, S.A., and Firestone Tire and Rubber Co. It is expected that local production will reduce imports of nylon cord and help save foreign exchange—Mexico, D.F.

Paper

AUSTRALIA—A £7 million (approximately Can. $14.5 million) scheme to expand the paper mill at Nowra, N.S.W., has been announced. When the expansion is completed within three years, the Shoalhaven

Paper Mills Pty. Ltd. will supply substantial quantities of paper that is now imported. Output will include special papers and coated papers not now made in Australia. The new plant will produce $8.8 million worth of paper a year—Sydney.

GREECE—Plans are being laid for the construction of two new paper mills in Greece. One, in northern Greece, is intended to produce 30,000 tons of newsprint a year using wood pulp made from Greek elm. The second is to be located somewhere in central Greece and is expected to produce about 15,000 tons of kraft paper products. It would use pulp made from Greek conifers combined with straw. Production of newsprint in Greece at present totals about 1,000 tons a year. Imports have ranged around 19,000 tons a year for each of the past three years but are expected to reach 20,000 tons in 1961—Athens.

SWEDEN—New peak figures for output and deliveries of Sweden's paper industry in 1960 are reported by the Swedish Paper Mills Association. Production rose by 15 per cent to some 2.15 million tons; more than half of this was newsprint and kraft paper. Total deliveries in 1960 are estimated at 2.08 million tons, including a 15 per cent increase to 1.3 million tons for export. Home market deliveries rose by 9 per cent to 815,000 tons. Europe continued to be Sweden's leading export market; the Six accounted for 40 and EFTA countries for 28 per cent of over-all shipments, compared with 37 and 28 per cent respectively in 1959. The largest individual purchaser was West Germany with 24 per cent. Exports to countries outside Europe dropped from 32 to 28 per cent of over-all shipments, including a decrease from 11 to 10 per cent for South America and from 3 to 2 per cent for North and Central America.

Reviewing the prospects for 1961, the Association states that the prospects for marketing Sweden's growing paper production are favourable, provided the European economy remains healthy. However, world forest industries are expanding, as is Sweden's, and competition will likely become keener, the Association warns—Stockholm.

Polyethylene

INDIA—Early in March Union Carbide (India) Ltd. inaugurated in Trombay, close to the Canada-India reactor, a $9 million polyethylene and chemical plant, the second of its kind in India. It is expected to produce 15 million pounds of polyethylene resins and compounds a year at full capacity, although substantial quantities of other organic chemicals (including acetic acid, butyl alcohol, butyl acetate and ethyl acetate) will also be made. Value of annual production is estimated at about $5 million but the capacity of the plant will reportedly be increased by several hundred per cent within the next few years. The plant draw its raw material, about three million gallon year of alcohol, from the state Government's Chi distillery, about 200 miles away. Estimates of foreign exchange that will be saved as a result of plant approximate $4 million a year—Bombay.

POLAND—An agreement has been signed in Lon between foreign trade agencies of Poland, Czec slovakia, East Germany and Rumania on one ha and the British Imperial Chemical Industries Messrs. Simon-Oarves on the other, to purchase method of production and blueprints of factories make a new high-pressure polyethylene. Each fact will produce 24,000 tons a year and it is expec Poland will begin polyethylene production by the of 1963 and that productive capacity will be exten in 1964 and 1965. Preparations to build the factor are proceeding. They are to be located in the expan combine at Blachownia Slaska where a departm producing raw material for polyethylene will also established—Copenhagen.

Synthetic Rubber

SPAIN—The Government-sponsored, "Empresa cional CALVO SOTELO", which comes within the (Instituto Nacional de Industrias) group, is planni to build a synthetic rubber plant at Puertollano (Ciud Real), where it already operates an important lub cants and liquid fuels factory. Production of synthe rubber will reach 20,000 tons a year, which will h eliminate imports because annual consumption synthetic rubber in Spain approximates 10,000 to The surplus will be exported—Madrid.

Toys

WEST GERMANY—The toy industry in the Fede Republic had a good season in 1960 with the turno hitting DM400 million as against DM387 million the previous year. Exports climbed from DM141.7 m lion to over DM150 million, despite increasingly ke competition and the labour shortage, which forc many firms to sell on long delivery schedules. Increa ing competition also forced manufacturers to ada themselves more to the market. Though German to are often more expensive than those from Japan Hong Kong, they still are in great demand abro because of their originality and quality—Hamburg.

Valves

MEXICO—Nibco de Mexico, S.A., a Mexican-U. company producing low-pressure pipe fittings, has a ranged with Crane Company, Chicago, to manufactu high-pressure valves under its patents in Guadalajar Under the firm name, Valvulas de Guadalajara, S.A a factory is being built for this purpose; producti by mid-1961 is expected—Mexico, D.F.

FOREIGN TARIFFS AND TRADE REGULATIONS

enuda

ORT OF TOMATOES AND SWEDISH TUR- PROHIBITED—By Government Notice No. 150 961 the Board of Agriculture has prohibited the rt of tomatoes and Swedish turnip from May 14, 9 1, until further notice.

ORT OF ROSES PROHIBITED—By Govern- t Notice No. 156—1961 the Board of Agriculture prohibited the import of cut (flowers) roses, with t from May 19, 1961, until further notice,

zil

HANGE QUOTA FOR GENERAL CATE- RY IMPORTS EASED—The Canadian Commer- Counsellor in Rio de Janeiro has cabled that, by MOC Instruction No. 206 of May 22, the Brazilian ernment has modified the weekly exchange quota General Category purchases.

nder previous Instruction No. 204, reported in the il 8 issue of *Foreign Trade*, purchases of exchange General Category imports were limited to $20,000 firm per week, except in cases of proven necessity. Instruction No. 206 this limit has now been in- sed to $50,000 per firm per week.

xchange transactions for Special Category imports ain temporarily suspended pending the issuance ew regulations covering this category of exchange.

ombia

YMENT OF IMPORT DUTIES MODIFIED— Commercial Secretary in Bogotá reports that, by ree No. 1,050 of May 16, 1961, the Colombian ernment has suspended the requirement, as set h in Decree 1,345 of 1959, that importers must the first 5 per cent of the Colombia ad valorem toms duties in free dollars. Consequently, the total ount of customs duties may now be paid in pesos.

he suspension of this requirement is one of the ombian Government's moves to take pressure off peso which has been showing signs of weakness ly.

Pierre and Miquelon

RTHER LIBERALIZATION MEASURES—It has n announced that import restrictions on paints, fectionery, and biscuits have been relaxed, and a nber of import licences have already been granted. is now possible for merchants in St. Pierre and quelon to order these goods from Canada, and it is ected that this trade will continue to grow in ning months.

Venezuela

RATIO OF LOCAL AND IMPORTED EGGS CHANGED—The *Official Gazette* N°26.544 of May 5, 1961, published a decree, issued by the Ministries of Development and Agriculture and Livestock, which reduces the former ratio for egg imports from 1:10 to 1:8. Consequently, in order to obtain import licences for fresh shell eggs, Venezuelan importers must present proof of having purchased one local egg per eight eggs to be imported—Caracas.

CURRENT EXCHANGE RATES—The Central Bank of Venezuela has announced that effective May 25, 1961, the "free market" rate for Bolivars *sold through the local banks* is Bs.4.58 to the United States dollar. This is the third reduction that the Central Bank has made in this "free market" rate of exchange, which was established under the foreign exchange control decree of March 17, 1961.

At the same time, on the Caracas Stock Exchange the uncontrolled market rate ranged from Bs.4.71 to Bs.4.75 to the U.S. dollar.

The third exchange rate in Venezuela is the official rate which remains fixed at Bs.3.35 to the U.S. dollar and applies to a limited range of transactions, including payments for specified imports.

NEW LIST OF CONTROLLED IMPORTS PROMULGATED—Our Commercial Counsellor in Caracas reports that on May 24, 1961, Venezuela published a new list of controlled imports for which foreign exchange will be granted at the official exchange rate of Bs.3.35 to the United States dollar. All imports not on this list must be purchased at the higher "free market" exchange rates.

This supersedes the list of March 20, 1961, which contained some 2,500 items. The new list reduces these considerably but includes some 1,250 items said to cover 58 per cent of the products imported into Venezuela.

Among items included in the May 24 list of controlled imports are articles and products which are not produced in Venezuela, such as livestock, flour, wheat, eggs, drugs, machinery, industrial and farming equipment, automobile spare parts, and raw materials and semi-manufactured goods deemed essential for national industry. Excluded from the list are textile products, many luxury items, and raw materials for industries that are considered non-essential, such as those producing alcoholic beverages, perfumes, jewels, and containers for drinks and perfumes.

Further information as to specific items on the new controlled list may be obtained from the Latin American Division, 'International Trade Relations Branc As this list is compiled by import tariff item numbe requests for information should give, if possible, t customs classification under which the goods in que tion are imported into Venezuela.

GENERAL NOTES

Brazil

INVEST IN MACHINERY—The West German firms, J. Pohlig A.G., Cologne, and Gessellschaft Fuer Foerderanlagen Ernst Heckel, Saarbrücken, have invested one million marks in the local firm, Industria e Comercio Pohlig-Heckel do Brasil Ltda., which makes conveyor belts, bucket elevators, travelling cranes, and other industrial transportation equipment. The investment will take the form of machinery imported from Germany—Rio de Janeiro.

Ceylon

RIVER PROJECTS—The management of the four large river-valley development projects in Ceylon (Walawe Ganga, Mahaveli Ganga, Malwatuoya, and Kelani Ganga) is to be conducted through regional autonomous boards. The Ministry of Agriculture, Land Irrigation and Power has reached this decision after discussion with officials of ECAFE, who visited Ceylon early this year. The projects are expected to bring many thousands of acres under cultivation as paddy and highland crops. The Government has completed preliminary surveys with foreign assistance. A natural resources survey embracing these projects is now being carried out by the Canadian Government as part of its Colombo Plan aid to Ceylon—Colombo.

Denmark

CHILE EXPORTS GUARANTEED—An agreement has been signed whereby Denmark will grant extraordinary credit guarantees to the extent of 20 million kroner for exports to Chile to assist in the reconstruction of areas affected by the earthquake of 1960. The money will be spent chiefly on buying machines and factory installations—Copenhagen.

India

POPULATION—Provisional figures in India's 1961 census show a population of 438 million, a 21.5 per cent increase in the past ten years. This rapid increase resulted from a drop in the death rate, especially in infant mortality, rather than an increase in the birth rate, which remains at a steady 42 per thousand. Urban population now accounts for 17.8 per cent of the tot compared with 17.4 per cent in 1951. Literacy h increased from 16.6 to 23.7 per cent. The most impre sive fact is the 2.15 per cent a year population increa that will bear directly on the success of India's five-ye plans—New Delhi.

Spain

LOANS REPAID—The Spanish Government has no paid back U.S.$15.4 million and £2 million to t International Monetary Fund, thus completely repayi the $50 million granted her by the Fund in Augu 1959. The repayment has been made before the agre date. In addition, Spain has cancelled an agreeme signed in 1959 which authorized her to borrow $ million from the Fund in case of necessity, a measu she has never resorted to. This year Spain also hand back a $24 million loan obtained from OEEC. T cancelled out part of the credit granted her when t Stabilization Plan was brought into operation in Ju 1959. Similarly, $71 million representing cred granted at the time of the Plan's institution has be repaid to American banks.

These payments made before the due date and t liquidation of loans show the success of the Stabili tion Plan. Hard currency reserves have risen from $ million in July 1959 to $600 million at the end March 1961. Price increases have been halted, expo have increased considerably and tourist earnings ha risen enormously. Restrictions on imports and "inv ible" operations are gradually being removed and tra is now 70 per cent liberalized—Madrid.

West Germany

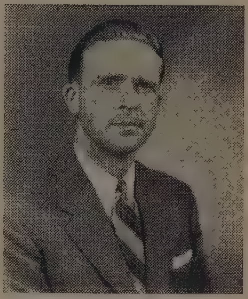
FINE MECHANICAL INDUSTRY—The fine m chanical, optical, and watch industries played a part in the boom in West Germany in 1960; producti reached a value of DM2.4 billion. Exports increas to DM1.1 billion although there was a comparativ greater rise in imports (of DM200 million). Th industries have to face stronger competition fr lower-price export countries—Hamburg.

TRADE COMMISSIONERS ON TOUR

F. B. Clark

M. R. M. Dale

W. Jones


D. B. Laughton

n Canada

. B. CLARK, Commercial Secretary in Mexico City:

askatoon—June 19
dmonton—June 22
Calgary—June 26
Vancouver—July 3-7

When he completes his tour and home leave, Mr. Clark will turn to Mexico City.

I. R. M. DALE, Trade Commissioner in Cape Town, South frica:

eterborough—July 3
ttawa—July 4-14
Montreal—July 17-28

When he completes his tour and home leave, Mr. Dale will turn to Capetown.

. JONES, Commercial Counsellor in Rio de Janeiro, Brazil:

ttawa—June 19-23
hetford Mines, Asbestos—June 26-27
ontreal—July 4
aitland, Kingston, Belleville—July 5
Peterborough—July 6
Port Hope—July 7
Toronto—July 10-14
Brantford, Galt, Goderich, Sarnia, Thorold, Welland—July 17-21

When he completes his tour and home leave, Mr. Jones will turn to Rio de Janeiro.

. B. LAUGHTON, Agricultural Secretary in London, ngland:

elleville—June 19
oronto—June 20-23
amilton—June 26
iagara Falls, St. Catharines—June 27
neland—June 28
antford, Galt—June 29
llsonburg—June 30
Winnipeg—July 5-7
Regina—July 11-12
Saskatoon—July 13-14
Edmonton—July 17-18
Calgary—June 20
Vancouver—July 24-26
Victoria—July 28
Kelowna—Aug. 1-2

Because Mr. Laughton is concerned only with agriculture d fisheries, he will use special headquarters in some of the ies he visits. These are: St. Catharines, Boese Foods Ltd.; neland, Vineland Experimental Station; Brantford, Holstein-iesian Association of Canada; Galt, Shaver Poultry Breeding rms Ltd.; Tillsonburg, Ontario Flue-Cured Tobacco Growers arketing Board; Regina, Deputy Minister's office, Saskatchen Department of Agriculture; Saskatoon, Saskatoon Co-erative Ltd.; Kelowna, B.C., Tree Fruits Ltd.

When he completes his tour, Mr. Laughton will take home ive and then return to London.

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

In Territory

R. M. DAWSON, Vice Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Tapei, Republic of China (Taiwan), from June 13-23.

P. A. FREYSENG, Assistant Commercial Secretary in Vienna, Austria, will visit Belgrade and Sarajevo in Yugoslavia from August 21-31.

C. R. GALLOW, Trade Commissioner in Johannesburg, South Africa, will visit Durban from July 10-14, Lourenco Marques in Mozambique from August 28-September 1, and Port Louis in Mauritius from September 25-29.

H. E. LEMIEUX, Trade Commissioner in Guatemala, will visit El Salvador from June 18-24.

E. H. MAGUIRE, Trade Commissioner in Singapore, will visit Rangoon, Burma, and Bangkok, Thailand, from June 19-22.

P. V. McLANE, Trade Commissioner in Glasgow, Scotland, will visit Belfast, Northern Ireland, June 19-23.

R. L. RICHARDSON, Assistant Commercial Secretary in Port-of-Spain, Trinidad, will visit Georgetown, British Guiana, from July 14-17.

R. K. THOMSON, Commercial Counsellor in Vienna, Austria, will visit Budapest, Hungary, from July 17-19, and Prague, Czechoslovakia, from July 26-28.

W. D. WALLACE, Commercial Counsellor in Caracas, Venezuela, will visit Maracaibo, and Aruba and Curacao in the Netherlands Antilles, from July 10-21.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Dawson at Manila, Mr. Freyseng and Mr. Thomson at Vienna, Mr. Gallow at Johannesburg, Mr. Lemieux at Guatemala City, Mr. Maguire at Singapore, Mr. McLane at Glasgow, Mr. Richardson at Port-of-Spain, and Mr. Wallace at Caracas.

Foreign Trade Service Abroad

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tele
Argentina	C. S. Bissett Commercial Counsellor C. O. R. Rousseau Commercial Secretary	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 33-8237
Australia (Capital Territory New South Wales, Northern Territory Queensland) Dependencies	S. V. Allen Commercial Counsellor for Canada L. D. Burke Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Phone:* 28-5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	H. A. Gilbert Commercial Counsellor for Canada I. R. Smyth Assistant Commercial Secretary	Mobil Centre 2 City Road SOUTH MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 61-3473
Australia	R. B. Nickson Commercial Secretary	Office of the High Commissioner for Canada State Circle CANBERRA	*Mail:* (City Address) *Cable:* DOMCAN *Phone:* U-1304 *Telex:* CBA C217 (DOMCAN CBA)
Austria Bulgaria, Czechoslovakia, Hungary, Rumania, Yugoslavia	R. K. Thomson Commercial Counsellor for Canada P. A. Freyseng Assistant Commercial Secretary	Opernringhof Opernring 1 VIENNA 1	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 57-25-97 *Telex:* 1-3380 (DOMCAN VIENNA)
Belgium Luxembourg, European Economic Community, European Atomic Energy Community, European Coal and Steel Community	L. H. Ausman Commercial Counsellor A. A. Lomas Assistant Commercial Secretary P. T. Eastham Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS 4	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* 13.38.50 *Telex:* 0-2613 (DOMCAN BRU)
Brazil	Wm. Jones Commercial Counsellor (absent) Malcolm Rowan Acting Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Phone:* 42-4140 *Telex:* RIO 175 (DOMINION RIO)
Brazil	D. M. Holton Consul and Trade Commissioner R. H. Gayner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Phone:* 36-6301
Ceylon	I. V. Macdonald Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Phone:* 91341
Chile	J. M. Knowles Acting Commercial Secretary	Canadian Embassy 5th Floor Agustinas 1225 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Phone:* 64189
Colombia Ecuador	J. H. Bailey Commercial Secretary and Consul	Canadian Embassy Edificio Banco de Los Andes Carrera 10, No. 16-92 BOGOTA	*Airmail:* Apartado Aereo 8582 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Phone:* 43-00-65
Congo Angola, Central African Republic, Chad, Congo (Community), Gabon	Consul General	Canadian Consulate General C.C.C.I. Building Boulevard Albert 1er LEOPOLDVILLE 1	*Mail:* Boîte Postale 8341 *Cable:* CANADIAN *Phone:* 2706 *Telex:* LEO 68 (DOMCAN LEO)

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Cuba	P. A. Savard Commercial Counsellor	Canadian Embassy Edificio Ingenieros Civiles Calle 17 y O Vedado Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Phone:* 32-3526
Denmark Greenland, Poland	K. Nyenhuis Commercial Counsellor	Canadian Embassy Prinsesse Maries Allé 2 Copenhagen V	*Mail:* (City Address) *Cable:* Canadian *Phone:* Hilda 3306
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde Ciudad Trujillo	*Mail:* Apartado 1393 *Cable:* Canadian *Phone:* 2-8138
France Algeria; Cameroon Republic, Dahomey, Guinea, Ivory Coast, Mali Republic, Mauretania, Morocco, Niger, Senegal, Togoland, Volta	A. G. Kniewasser Commercial Counsellor W. G. Brett Assistant Commercial Secretary R. G. Woolham Assistant Commercial Secretary Y. C. Jauron Assistant Commercial Secretary	Canadian Embassy 35 Avenue Montaigne Paris 8e	*Mail:* (City Address) *Cable:* Canadian *Phone:* BALzac 99-55 *Telex:* 2-0600 (Domcan Paris)
Germany Federal Republic	J. A. Stiles Commercial Counsellor (absent) W. J. O'Connor Acting Commercial Secretary (Agriculture) Louis de Salaberry Assistant Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse Bonn	*Mail:* (City Address) *Cable:* Canadian *Phone:* 21971 *Telex:* 886421 or 886422 (Domcan Bonn)
Germany	R. E. Gravel Consul General Richard Turcotte Vice Consul	Canadian Consulate General 69 Ferdinandstrasse Hamburg	*Mail:* (City Address) *Cable:* Canadian *Phone:* 326149
Ghana Gambia, Liberia, Sierra Leone	K. F. Osmond Commercial Secretary	Office of the High Commissioner for Canada E 115/3 Independence Ave. Accra	*Mail:* P.O. Box 1639 *Cable:* Canadian *Phone:* 4824
Greece Cyprus, Israel, Turkey	B. A. Macdonald Commercial Counsellor B. C. Steers Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. Athens	*Mail:* (City Address) *Cable:* Canadian *Phone:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. E. Lemieux Canadian Government Trade Commissioner K. D. Taylor Assistant Trade Commissioner	5a Avenida 11-70, Zone I Guatemala City, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* Canadian *Phone:* 28448
Haiti	Chargé d'Affaires, a.i. and Consul	Canadian Embassy Route du Canape Vert St. Louis de Turgeau Port au Prince	*Mail:* P.O. Box 826
Hong Kong Cambodia, Communist China, Laos, Vietnam, Macao	C. M. Forsyth-Smith Canadian Government Trade Commissioner C. J. Small Trade Commissioner D. J. McEachran Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg. Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Phone:* 27743

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tel
India (except States of Gujerat and Maharashtra) Bhutan, Nepal, Sikkim	G. A. Newman Commercial Counsellor B. Horth Assistant Commercial Secretary	Office of the High Commissioner for Canada 13 Golf Links Area New Delhi 1	*Mail:* P.O. Box 11 *Cable:* Canadian *Phone:* 74261
India (States of Gujerat and Maharashtra), Goa	W. F. Hillhouse Canadian Government Trade Commissioner	Gresham Assurance House Mint Road Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Phone:* 255154
Indonesia	Commercial Division	Canadian Embassy Djl. Budi Kemuliaan No. 6 Djakarta	*Mail:* (City Address) *Cable:* Canadian *Phone:* Gambir 1313
Iran	A. B. Brodie Commercial Counsellor	Canadian Embassy 32 Anatole France Tehran	*Mail:* P.O. Box 1610 *Cable:* Cantracom *Phone:* 4-9291
Ireland	W. R. Van Commercial Secretary for Canada	66 Upper O'Connell St. Dublin	*Mail:* (City Address) *Cable:* Canadian *Phone:* 44251
Italy Libya, Malta	Richard Grew Commercial Counsellor M. S. Strong Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 Rome	*Mail:* (City Address) *Cable:* Canadian *Phone:* 864-327 *Telex:* RMO 86 (RMO 86 Domcan or RMO 56 Domcan)
Japan South Korea	A. P. Bissonnet Commercial Counsellor N. W. Boyd Assistant Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Tokyo	*Mail:* Canadian Embassy *Cable:* Canadian *Phone:* 408-2101/8 *Telex:* TK 2218 (Domcan TK 2218)
Lebanon Iraq, Jordan, Persian Gulf area, Syrian Region of United Arab Republic	W. B. Walton Acting Commercial Secretary	Canadian Embassy Alpha Building Rue Clemenceau Beirut	*Mail:* Boîte Postale 2300 *Cable:* Canadian *Phone:* 50955
Mexico	F. B. Clark Commercial Secretary (absent) W. M. Miner Acting Commercial Secretary G. L. Gagne Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor Mexico 5, D.F.	*Mail:* Apartado 25364 *Cable:* Canadian *Phone:* 25-15-60
Netherlands	J. C. Britton Commercial Counsellor G. E. Woollam Agricultural Counsellor J. R. Caux Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 The Hague	*Mail:* (City Address) *Cable:* Canadian *Phone:* 61-41-11 *Telex:* 31270 (Domcan Hague)
New Zealand Fiji, Samoa, Tahiti, Tonga	J. H. Stone Commercial Counsellor W. J. Collett Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Phone:* 70-644 *Telex:* WGN 9 (Domcan WGN)
Nigeria	H. W. Richardson Commercial Counsellor (absent) C. T. Charland Acting Commercial Secretary	Office of the High Commissioner for Canada Barclays Bank Building, 4th Floor 40 Marina Road Lagos	*Mail:* P.O. Box 851 *Cable:* Canadian *Phone:* 25262

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
Norway Iceland	M. B. Bursey Commercial Counsellor	Canadian Embassy Fridtjof Nansens Plass 5 Oslo	*Mail:* P.O. Box 1379—Vika *Cable:* Canadian *Phone:* 33-30-80
Pakistan Afghanistan	J. E. P. Lancaster Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd. Karachi	*Mail:* P.O. Box 3703 *Cable:* Canadian *Phone:* 50322 *Telex:* KRC 10
Peru Bolivia	W. J. Jenkins Acting Commercial Secretary	Canadian Embassy Edificio Boza, Carabaya 831 Plaza San Martin Lima	*Mail:* Casilla 1212 *Cable:* Canadian *Phone:* 72760
Philippines Republic of China (Taiwan)	T. G. Major Consul General and Trade Commissioner R. M. Dawson Vice Consul and Assistant Trade Commissioner	Canadian Consulate General L & S Building, 3rd Floor 1414 Dewey Boulevard Manila	*Mail:* P.O. Box 1825 *Cable:* Canadian *Phone:* 5-85-97
Portugal Azores, Cape Verde Islands, Madeira, Portuguese Guinea	T. J. Monty Commercial Counsellor	Canadian Embassy Rua Marques de Fronteira No. 8—4° D° Lisbon	*Mail:* (City Address) *Cable:* Canadian *Phone:* 53117
Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	L. S. Glass Canadian Government Trade Commissioner	8th Floor Grindlays Bank Chambers Baker Avenue Salisbury	*Mail:* P.O. Box 2133 *Cable:* Cantracom *Phone:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	E. H. Maguire Canadian Government Trade Commissioner K. O. Hillyer Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Phone:* 74260
South Africa (Natal, Orange Free State, Transvaal) Malagasy, Mauritius, Mozambique, Reunion	C. R. Gallow Canadian Government Trade Commissioner L. J. Taylor Assistant Trade Commissioner	Mobil House 17th Floor, Corner Rissik and De Villiers Streets Johannesburg	*Mail:* P.O. Box 715 *Cable:* Canadian *Phone:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner (absent)	602 Norwich House The Foreshore Cape Town	*Mail:* P.O. Box 683 *Cable:* Cantracom *Phone:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio Espana Avenida de Jose Antonio 88 Madrid	*Mail:* Apartado 117 *Cable:* Canadian *Phone:* 47-54-00
Sweden Finland	G. F. G. Hughes Commercial Counsellor	Canadian Embassy Strandvagen, 7-C Stockholm	*Mail:* P.O. Box 14042 *Cable:* Canadian *Phone:* 67-92-15
Switzerland Tunisia	S. G. MacDonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 Berne	*Mail:* (City Address) *Cable:* Canadian *Phone:* 4-63-81 *Telex:* 2-2386 (Domcan Geneve)
Union of Soviet Socialist Republics	Commercial Counsellor (absent)	Canadian Embassy 23 Starokonyushenny Pereulok Moscow	*Mail:* (City Address) *Cable:* Canad *Phone:* 415142
United Arab Republic Egyptian Region Aden, Sudan, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Counsellor	Canadian Embassy 6 Sharia Rouston Pasha Garden City Cairo	*Mail:* Kasr el Doubara Post Office *Cable:* Canadian *Phone:* 23110

Territory	Officer	City Address	Mail and Cables, Office Telephone & Tel
United Kingdom	B. C. Butler Minister (Commercial)	Office of the High Commissioner for Canada One Grosvenor Square London, W.1	*Mail:* (City Address) *Cable:* Sleighing *Phone:* Mayfair 9492 *Telex:* 2-2526 or 2-8240 Dominion LDN)
	S. G. Tregaskes Commercial Counsellor		
	W. Gibson-Smith Commercial Counsellor		
	D. B. Laughton Agricultural Secretary (absent)		
	E. J. White Commercial Secretary (Timber)		*Cable:* Timcom
	W. A. Stewart Acting Agricultural Secretary		
	Geo. Hazen Assistant Commercial Secretary		
	S. G. Harris Assistant Commercial Secretary		
United Kingdom (Midlands, North England)	Canadian Government Trade Commissioner (absent)	Martins Bank Building Water Street Liverpool	*Mail:* (City Address) *Cable:* Canadian *Phone:* Central 0625
United Kingdom (Scotland)	P. V. McLane Canadian Government Trade Commissioner	Cornhill House 144 West George St. Glasgow C.2	*Mail:* (City Address) *Cable:* Cantracom *Phone:* Douglas 6751
	E. J. Ward Assistant Trade Commissioner (Timber)		
United Kingdom (Northern Ireland)	P. V. McLane Canadian Government Trade Commissioner	36 Victoria Square Belfast	*Mail:* (City Address) *Phone:* 21867
	E. J. Ward Assistant Trade Commissioner (Timber)		
United States	M. Schwarzmann Minister-Counsellor (Economic)	Canadian Embassy 1746 Massachusetts Ave., N.W. Washington 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Phone:* DEcatur 2-1011
	D. A. B. Marshall Agricultural Counsellor		
	J. D. Blackwood Assistant Commercial Secretary		
	J. MacNaught Assistant Agricultural Secretary		
United States	N. R. Chappell Counsellor (Energy)	Canadian Embassy 1746 Massachusetts Ave., N.W. Washington 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Phone:* DEcatur 2-1011
United States (Connecticut, New Jersey, New York) Bermuda	B. I. Rankin Deputy Consul General (Commercial)	Canadian Consulate General 680 Fifth Ave. New York City 19	*Mail:* (City Address) *Cable:* Cantracom *Phone:* JUdson 6-2400
	A. A. Caron Consul and Trade Commissioner		
	R. D. Sirrs Consul and Assistant Trade Commissioner		
	F. I. Wood Vice Consul and Assistant Trade Commissioner		

Territory	Officer	City Address	Mail and Cables, Office Telephone & Telex
United States (Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)	J. C. Depocas Consul and Trade Commissioner L. D. R. Dyke Vice-Consul and Assistant Trade Commissioner	Canadian Consulate General 607 Boylston Street BOSTON 16	*Mail:* (City Address) *Phone:* COngress 2-1245
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	H. J. Horne Consul and Trade Commissioner N. L. Currie Vice Consul and Assistant Trade Commissioner D. A. Hilton Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* RAndolph 6-6033
United States (Michigan, Ohio)	R. V. N. Gordon Consul and Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Phone:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	G. F. J. Osbaldeston Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Phone:* MAdison 2-2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	T. F. Harris Consul and Trade Commissioner G. E. Blackstock Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Phone:* JAckson 5-2136
United States (Delaware, Maryland, Pennsylvania, Virginia, West Virginia)	W. J. Millyard Consul and Trade Commissioner J. B. McLaren Vice Consul and Assistant Trade Commissioner	Canadian Consulate 3 Penn Center Plaza PHILADELPHIA 2	*Mail:* (City Address) *Phone:* LOCUST 35838
United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Phone:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Phone:* MUtual 2-3515
Uruguay Paraguay Falkland Islands	Commercial Division	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Phone:* 96096
Venezuela Netherlands Antilles	W. D. Wallace Commercial Counsellor J. E. Montgomery Assistant Commercial Secretary	Canadian Embassy Avenida La Estancia No. 10 Ciudad Comercial Tamanaco CARACAS	*Mail:* Apartado 11452-Este *Cable:* CANADIAN *Phone:* 32.40.41.44
West Indies (Barbados, Trinidad and Tobago, Windward and Leeward Islands) British Guiana, French Guiana, Surinam, Guadeloupe, Martinique	R. F. Renwick Commercial Secretary R. L. Richardson Assistant Commercial Secretary	Office of the Commissioner for Canada Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Phone:* 34787
West Indies (Jamaica) Bahamas, British Honduras	Canadian Government Trade Commissioner (absent) C. G. Bullis Acting Trade Commissioner	Barclays Bank Building King Street KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Phone:* 2-2858

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.0132995.

Foreign Exchange Rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 5	Units per Canadian dollar	Notes (See belo
Argentina	Peso	Free	.01197	83.54	
Austria	Schilling		.03786	26.41	
Australia	Pound		2.2036	.4538	
Bahamas	Pound		2.7545	.3630	
Belgium and Luxembourg	Franc		.01974	50.66	
Bermuda	Pound		2.7545	.3630	
Bolivia	Boliviano	Free	.00008398	11,907.59	
British Guiana	Dollar		.5739	1.74	
British Honduras	Dollar		.6887	1.45	
Brazil	Cruzeiro	Free	.003792	263.71	
		Special Category	Auctions temporarily suspended	Auctions temporarily suspended	
		Official selling			
Burma	Kyat		.2072	4.83	
Ceylon	Rupee		.2066	4.84	
Chile	Escudo	Free	.9381	1.06598	
Colombia	Peso	Certificate	.1473	6.78	
Congo, Republic of	Franc		.01974	50.66	
Costa Rica	Colon	Official	.1758	5.69	
		Controlled free	.1484	6.74	
Cuba	Peso		.9869	1.01327	tax
Czechoslovakia	Koruna		.1371	7.29	
Denmark	Krone		.1425	7.02	
Dominican Republic	Peso		.9869	1.01327	
Ecuador	Sucre	Official	.06579	15.20	
		Free	.05625	17.78	
Egyptian Region, United Arab Rep.	Pound	Official	2.8339	.3529	
		Export account selling	....	....	
El Salvador	Colon		.3948	2.53	
Fiji	Pound		2.4815	.4030	
Finland	Markka		.003084	324.25	
France, Monaco, etc.	New Franc		.2014	4.96	
Franco-African Republics, etc.	Franc		.004028	248.26	
French Pacific	Franc		.01108	90.25	
Germany	D Mark		.2486	4.02	
Ghana	Pound		2.7545	.3630	
Greece	Drachma		.03289	30.40	
Guatemala	Quetzal		.9869	1.01327	
Haiti	Gourde		.1974	5.06	
Honduras	Lempira		.4934	2.03	
Hong Kong	Dollar	Free*	.1709	5.85	*Ma
		Official	.1722	5.81	
Iceland	Krona	Official	.02597	38.50	
India	Rupee		.2066	4.84	
Indonesia	Rupiah	Official	.02193	45.60	
Iran	Rial		.01303	76.76	
Iraq	Dinar		2.7633	.3619	
Ireland	Pound		2.7545	.3630	
Israel	Pound		.5483	1.82	
Italy	Lira		.001602	624.22	
Japan	Yen		.002742	364.70	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 5	Units per Canadian dollar	Notes (See below)
Lebanon	Pound	Free	.3138	3.19	
Mexico	Peso		.07895	12.67	
Morocco	Dirham		.1974	5.06	
Netherlands	Florin		.2746	3.64	
Netherlands Antilles	Florin		.5233	1.91	
New Zealand	Pound		2.7545	.3630	
Nicaragua	Cordoba	Effective buying	.1495	6.69	
		Official selling	.1400	7.14	
Nigeria	Pound		2.7545	.3630	
Norway	Krone		.1378	7.26	
Pakistan	Rupee		.2066	4.84	
Panama	Balboa		.9869	1.01327	
Paraguay	Guarani	Official	.007801	128.19	
Peru	Sol		.03680	27.17	
Philippines	Peso	Free	.3290	3.04	
		Official	.4934	2.03	
Portugal & Colonies	Escudo		.03444	29.04	(8)
Singapore and Malaya	Straits Dollar		.3214	3.11	
Spain and Dependencies	Peseta		.01645	60.80	
Sweden	Krona		.1912	5.23	
Switzerland	Franc		.2280	4.38	
Syrian Region, United Arab Rep.	Pound	Free	.2755	3.63	
Thailand	Baht	Free	.04668	21.42	(7)
Tunisia	Dinar		2.3685	.4222	
Turkey	Lira		.1097	9.11	(7)
Union of South Africa	Rand		1.3773	.7260	
United Kingdom	Pound		2.7545	.3630	
United States	Dollar		.986875	1.0132995	
Uruguay	Peso	Free	.08947	11.18	(9)
Venezuela	Bolivar		.2950	3.39	(10)
West Indies Fed.	Dollar		.5739	1.74	(11)
	Pound		2.7545	.3630	(12)
Yugoslavia	Dinar	Official	.001316	759.88	

*Latest available quotation date.

Notes

1. Argentina: effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. For imports of wheat, newsprint and petroleum, the exchange is fixed at Cr.200 to U.S. dollar.
3. Chile: free rate applies to exports and imports. Chilean importers must make prior deposits in amounts ranging from 5 to 1,500 per cent, depending on product, prior to shipment of goods. Beginning Jan. 1, 1960, one escudo equals 1,000 pesos.
4. New franc is also used in Algeria, French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. Additional rates are in effect.
8. Portugal: approximately same rate for Portuguese territories in Africa.
9. A new exchange system was introduced in December 1959 under which exchange transactions take place at free market rates.
10. Effective Nov. 8, 1960, Venezuela imposed exchange controls. Exchange at the official rate is available for specified purposes. Otherwise, it must be purchased on the free market at fluctuating rates.
11. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
12. Jamaica.

Markets in Brief

URUGUAY

Area: 72,180 square miles.

Population: 2.75 million.

Climate: warm December to March inclusive, sometimes in the 90-degree range; winters average 57 to 61 degrees. Much sunshine, much wind; average rainfall about 40 inches.

Language: Spanish; sales literature in Spanish essential.

Currency: Peso; 11 pesos equal approximately 98 cents Canadian.

Weights and measures: metric system.

Capital: Montevideo.

Chief ports: Montevideo; river ports for small vessels—Colonia, Fray Bentos, Paysandu.

Marketing centre: Montevideo, population approximately one million.

Economy: mainly dependent on export of meat and wool; local textile industry important, also production of a wide range of commodities formerly imported.

Total Uruguayan imports: 1960—U.S.$190.2 million; 1959—U.S.$158.8 million.

Chief imports: (U.S.$ million) first nine months 1960—raw materials 52.2, fuels and lubricants 23.6, motor vehicles and spares 15.9, machinery and accessories 8.4, construction materials 8.0, electricity in general 6.8.

Chief suppliers: (U.S.$ million) 1960—United States 38.5 Venezuela 22.9, United Kingdom 17.4, Brazil 16.4, West Germany 18.1, Belgium 6.2, France 5.6, Italy 5.3, Soviet Bloc 4.8.

Value of imports from Canada: 1960—Can.$2,423,100; 1959—Can.$1,655,765.

Chief imports from Canada: aluminum ingot, plastics, synthetic rubber, asbestos, newsprint, wood pulp, agricultural machinery, seed potatoes.

Total Uruguayan exports: 1960—U.S.$131.2 million; 1959—U.S.$84.2 million.

Chief exports: wool, meat, textiles, hides, rice, seeds.

Chief markets: (U.S.$ million) 1960—United Kingdom 30.9, United States 18.4, Netherlands 16.7, Soviet Bloc 14.9, West Germany 12.2, France 8.8.

Value of Canadian purchases: 1960—Can.$987,496; 1959—Can.$657,289.

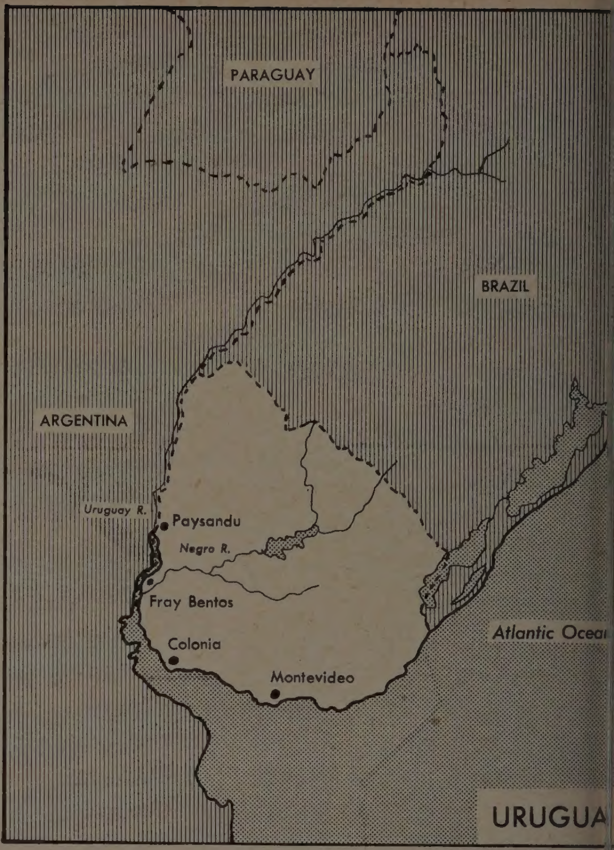
Chief Canadian purchases: rice, wool, worsteds.

Dollar exchange: freely available for all imports at the fluctuating free market rate.

Prices: quote in U.S. dollars c.i.f.

Samples: import free if of no commercial value.

Trade agreements: most-favoured-nation agreement with Canada (GATT).



Import controls, documentation, customs tariffs, marking labelling: imports of goods considered competitive local production are subject to an additional 40 o per cent surcharge on the c.i.f. value or estimated value of the goods. Goods considered to be essential ports (raw materials and certain types of machinery) not subject to surcharges. Non-essential and luxury g must pay a 150 per cent surcharge and in additio prior deposit, not recoverable for nine months or a y of 100 per cent of the value of the goods. All t charges are additional to ordinary customs duties taxes. For other details consult the International T Relations Branch, Department of Trade and Comme Ottawa.

Canadian banks: Royal Bank of Canada, Montevideo.

Correspondence: airmail only; letters 10 cents per half ou

For detailed information on this market write to:

Latin American Division
International Trade Relations Branch
Department of Trade and Commerce
Ottawa

or

Commercial Counsellor
Canadian Embassy
Casilla Postal 852
Montevideo, Uruguay
(by airmail only)